

MOLDOVA

RESULTS REVIEW

AND

RESOURCE REQUEST

USAID/West NIS

March 9, 1998

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INTRODUCTION: FY 2000 MOLDOVA R4

PART 1: FACTORS AFFECTING PROGRAM PERFORMANCE

Moldova's economic and democratic transition continues to be among the most notable in the NIS, boasting a stable currency, relatively low inflation, mass privatization that is virtually complete, progress in the process of cash privatization, and a year of democratic political activity in 1997 that saw positive interaction of the Presidency, Government, Parliament and the Judiciary. That said, however, Moldova still has need to deepen and extend these reforms.

Moldova's economy appears to have completed its contracting phase, though the crucial agricultural sector, increasingly privatized, remains largely unstructured and under-productive. Energy remains the overriding problem of this economy which suffers from a lack of resources and dependence on fuel imports from Russia, continuing inefficient use of energy supplies and a deficit of market mechanisms to establish viable prices. Privatization of the energy sector is now being addressed, but the process will not be easy or automatic. Fiscal and accounting reforms, most notably involving taxation, have been developed by the GOM and passed by parliament, but implementation is proving to be a lengthy process requiring extensive training for Ministry of Finance and tax administration personnel. Training in use of the newly adopted International Accounting Standards has progressed slowly.

Democratic reforms promoted free and fair elections in 1996 for the presidency and those upcoming in March 1998 for parliamentarians, an increasingly independent judiciary, and an expanding civil society including a budding NGO sector with a growing capacity to express itself on policy matters. A larger number of newspapers, TV and radio stations have increased their distribution and areas of news coverage, but have much to learn about independence and analytical methods. Independent media companies, which should become an important source of objective news, are struggling to survive and adapt to market conditions. Advances in strengthening the rule of law, though addressed, remain limited by the judicial system's need for training and its lack of information resources.

The president, Petru Lucinschi, and the government formed in 1997 have generally endorsed continuing reform during this past year, but the process and results have not been without challenges. The lack of rapid growth and demonstrable distribution of economic and social benefits have been useful to detractors, who advocate less than a market-oriented economy. The effective extent of this dissatisfaction will be revealed through the parliamentary elections of March 1998, and may impact the subsequent formation of a new government. The breakaway Transdniester region continues to resist economic and democratic reforms, however, if a settlement is reached and the region is reintegrated with the rest of Moldova, USAID can expect the GOM to request additional assistance in helping the region catch up to the rest of the country.

PART II: PROGRESS TOWARD OBJECTIVES

Strategic Objective 1.1: Increased transfer of state-owned assets to the private sector

| Objective Name | Rating | Evaluation Findings |
|--|--------|---------------------|
| SO 1.1: Increased transfer of state-owned assets to the private sector | Met | N/A |

Since gaining independence, Moldova has signaled its commitment to economic reform and has increasingly been viewed as a model for other New Independent States for its integrated strategy and approach to market reform. Moldova is one of only two former Soviet Republics to complete its Mass Privatization Program, with the transfer to the private sector of 60 percent of its industrial assets. Now in its second phase of market reform, Moldova is again a noteworthy model. Sustained political will and a concentration of resources and priorities have led the Government of Moldova (GOM) to take a leadership position in its efforts to decollectivize the agricultural economy, distribute land and property to its rightful owners, obtain the support of the Parliament to reduce fiat land prices by 80 percent and simplify existing titling and land registration systems.

1. Performance Analysis

Strategic Objective 1.1: Increased transfer of state-owned assets to the private sector

In early 1997, newly elected President Petru Lucinschi and his new government announced their intention to accelerate and deepen the reform program. In May 1997, the Parliament lowered the normative price of land associated with privatized enterprises. A new Law on the Normative Price and Procedures on the Sale and Purchase of Land became effective in October 1997. Despite evident benefits from the passage of these two laws, many imperfections and constraints still exist to the establishment of a land market. USAID technical assistance has produced significant results in land privatization and in streamlining the legal and regulatory environment. The GOM adopted a decision to streamline the rural land titling and registration procedures, resulting in lower actual and transaction costs. It has also succeeded in streamlining land titling and registration procedures, which have been simplified so that an exact survey of the privatized land is no longer required. More important, these processes are now done at the local level rather than the central level. Once state-controlled services, private survey firms have been allowed to flourish and have begun operating as private sector entities. The cost of land titles has been dramatically reduced from \$40.00 to \$8.00 per land share.

The Parliament also adopted the State Privatization Program for 1997-1998, which authorizes the Ministry of Privatization to proceed with the cash sale of small-scale objects, residual packets of

shares of large and medium enterprises, and unfinished construction sites.

A second land privatization, titling and registration pilot is near completion. The break-up of 72 collective farms has resulted in the formation of more than 3,000 new private farms, and the issuance of more than 70,000 constitutionally valid land titles. Based on these results, the GOM has requested that USAID commit additional resources to implement a National Land Privatization and a National Land Titling and Registration Program. This effort, scheduled for start-up in March 1998, will involve the break-up of 550 or more state and collective farms and the issuance of more than 1.6 million individual land titles.

Efforts to transfer state-owned assets to the private sector have been instrumental to Moldova's transition to a market economy. During the Mass Privatization Program, 2,235 small, medium and large enterprises were totally or partially privatized. Moldova remains only the second ~~republic of the former Soviet Union to complete its mass privatization program~~ utilizing a bond/voucher process.

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.1: Increased transfer of State-Owned assets to the private sector | | | |
| INDICATOR: Percentage of GDP generated by the private sector. | | | |
| UNIT OF MEASURE: percentage SOURCE: World Bank/EU-TACIS INDICATOR DESCRIPTION: COMMENTS: estimates for 1997 total; targets will be adjusted upward once 1997 total figure is confirmed. | YEAR | PLANNED | ACTUAL |
| | 1993(B) | -- | -0- |
| | 1997 | 45 | 55 |
| | 1998 | 50 | |
| | 1999 | 55 | |
| | 2000 | TBD | |

The **percentage of GDP generated by the private sector**, the indicator selected to measure performance for this strategic objective, is estimated by GOM officials at 55 percent for 1997¹. This estimate far exceeds the 45 percent envisaged for 1997, suggesting that this SO has substantially achieved targets for the year. According to preliminary estimates of the Department of Statistics, the GDP figure for 1997 shows a rate of growth of 13 percent, in current prices.

¹ estimate should be viewed with caution due to the numerous measurement problems associated with the shadow economy. The Strategic Studies Reform Center, an independent unit supported by the World Bank and UNDP, estimates the contribution of the shadow economy at 40 percent of GDP, while the State Department of Statistics estimates this contribution at about 15 percent.

This represents a real rate of annual GDP growth (inflation-adjusted) of 1.3 percent, the first positive growth of GDP since independence. As in all emerging markets, the shadow economy should be considered. Business circle analysts estimate this at over 50% of GDP which if factored into the private sector contribution to GDP would increase this substantially and/or provide an indication of future private sector potential.

IR 1.1.1: Enterprises privatized through mechanisms other than National Patrimony Bonds (NPBs)

This intermediate result addresses current enterprise privatization efforts. Among other objectives the GOM Privatization Program for 1997-1998 sought to: (1) shift from mass privatization through patrimonial bonds to privatization for cash; and (2) apply multiple methods to achieve privatization -- such as the sale of reserve share packets in the state-owned enterprises and the sale of residual state-owned shares in partially privatized enterprises utilizing the Moldova Stock Exchange as a venue, ~~open outcry auctions for small scale objects~~ and other mechanisms to settle state debts with state property objects.

IR 1.1.1 looks at the number of enterprises privatized through mechanisms other than NPBs. Two performance indicators are used: (1) medium and large enterprises originally sold for NPBs and at least 90 percent private; and (2) all other enterprises not originally offered during the Mass Privatization Program.

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|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.1: Enterprises privatized through mechanisms other than NPBs | | | |
| INDICATOR: Medium and large enterprises originally sold for NPBs effectively privatized | | | |
| UNIT OF MEASURE: number SOURCE: MOP INDICATOR DESCRIPTION: total = 880 COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 880 | 568 |
| | 1998 | 730 | |
| | 1999 | N/A | |
| | 2000 | N/A | |

Medium and large enterprises originally sold for NPBs effectively privatized. The total number of medium and large enterprises included in the 1993/96 Mass Privatization Program was 1,142. Of these, only 62 were 100 percent privatized. The total number of enterprises available under this IR has been revised to reflect that the GOM did not offer for privatization about 300

enterprises with 30%-60% state ownership.

The cumulative total of enterprises effectively privatized in 1997 is 568. The target was not met because it was necessary to put in place a new mechanism for the cash sale of residual state-owned shares of enterprises through assistance from IBTCI, a USAID contractor. Initial legislation for mass privatization did not envision a set of procedures for the disposal of such residual shares (shares for which there had been no demand previously).

The May 1997 Residual Share Regulation determined that residual shares would be sold through the Moldova Stock Exchange (MSE). A pilot sale (envelope-tender system) took place in May, followed by 11 additional auctions. Of the 595 enterprises whose residual shares were offered in this manner, shares of 200 enterprises were sold. Of these 200 enterprises with at least 90 percent of shares in private hands, 167 are included in the 568 cumulative total privatized through the end of 1997.

Despite this progress, results are somewhat below expectations, and the still-unsold residual shares remain unattractive at the GOM-set prices and represent repeat offerings of enterprises. Low demand reflects both the poor state of the enterprises offered for sale, and the lack of financial resources of the general population. Participants at the auctions were mainly current institutional shareholders attempting to increase their holdings, or employees and managers of those enterprises. The population at large showed little interest due to lack of financial resources, possibly insufficient advance notice and too little information on the enterprises offered for sale.

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|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.1: Enterprises privatized through mechanisms other than NPBs | | | |
| INDICATOR: Enterprises not offered for NPBs, including small-scale and unfinished constructions, transferred to the private sector | | | |
| UNIT OF MEASURE: number SOURCE: MOP INDICATOR DESCRIPTION: total = 1142 COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 150 | 82 |
| | 1998 | 250 | |
| | 1999 | N/A | |
| | 2000 | N/A | |

Enterprises not offered through NPBs, including small-scale and unfinished construction

sites, transferred to the private sector. According to MOP/IBTCI, the cumulative result for 1997 was 82 enterprises privatized through 53 auctions (47 in 1995 and 35 in 1996). The results of cash privatization have been below GOM expectations. Out of 220 small-scale enterprises approved for privatization in the 1995-96 Program, only 170 were sold by the end of 1997. In some cases, the starting price was reduced when the small-scale enterprise in question could not be sold. Dutch auctions were also introduced by IBTCI. Eleven auctions to sell unfinished constructions took place in 1997, resulting in the sale of only two. These poor results reflect the high starting price at which the enterprises were offered for sale, as well as the poor state of the enterprises under consideration.

IR 1.1.2: Housing units are privately owned

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|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.2: Housing units are privately owned | | | |
| INDICATOR: Housing units privatized | | | |
| UNIT OF MEASURE: number SOURCE: MOP INDICATOR DESCRIPTION: number of privatized apartments formerly for NPBs; as of 1997 for cash only COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1994(B) | -- | -102,000- |
| | 1997 | 200,020 | 216,968 |
| | 1998 | N/A | |
| | 1999 | N/A | |
| | 2000 | N/A | |

Although USAID did not provide direct assistance in this area, the privatization process created preconditions for active participation of the population in the privatization of housing units -- initially for NPBs, and in 1997 and future years through cash only. The 1993 Law on the Privatization of Housing Stock set legal grounds for privatization of housing units through bonds or cash. To date, more than 86 percent of all housing is private. Ministry of Privatization and State Property Administration data show that the private housing sector is expanding, even if current privatization efforts have been limited to cash sales.

IR 1.1.3: Farm land is privatized and titles issued

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.3: State or collective farms broken up | | | |
| INDICATOR: State or collective farms broken up | | | |
| UNIT OF MEASURE: number of farms SOURCE: MOP INDICATOR DESCRIPTION: COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 70 | 72 |
| | 1998 | 150 | |
| | 1999 | 300 | |
| | 2000 | N/A | |

State or collective farms broken up. In the spring of 1996, USAID initiated the collective farm breakup activity in the district of Nisporeni at the Mayak collective farm. This effort was implemented in conjunction with the Ministry of Privatization and supported by the Ministry of Agriculture (MOA), Parliament and the GOM.

The Mayak collective farm consisted of approximately 1,500 hectares of cultivated land, 588 hectares of vineyards, and 372 hectares of orchards. The pilot project had two objectives: (1) to effect the complete "breakup" of this collective farm by distributing its agricultural land and physical property to eligible employees and retired persons; and (2) to issue constitutionally protected land titles, duly recorded at the central and local levels, to each new landowner. A total of 4,479 parcels were created, and 1,370 constitutionally protected land titles were prepared, issued and registered by March 1997. The issuance of these titles in essence completed the titling and registration work at the Mayak collective farm and signaled the complete dissolution of that entity.

The number of State or collective farms broken up in 1997 was 72, matching our target of 70. This second pilot effort involved the breakup of all land and property associated with 72 collective farms in 31 raions of Moldova. The dissolution of these farms has resulted in the formation of more than 3,000 private farms of which 1,290 have registered as new farming enterprises. A registered enterprise will benefit from access to credits for inputs and fertilizer while subject to taxes. Some 356 new leaders/entrepreneurs emerged from the reorganization process as peasant farmers leasing-in land or property to these individuals.

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|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.3: State or collective farms broken up | | | |
| INDICATOR: Rural land titles issued to individual members of state or collective farms | | | |
| UNIT OF MEASURE: number of titles SOURCE: MOP INDICATOR DESCRIPTION: title shows private ownership COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 70,000 | 57,281 |
| | 1998 | 150,000 | |
| | 1999 | 300,000 | |
| | 2000 | N/A | |

Number of rural land titles issued to individual members of state or collective farms. The pilot effort described above was completed in March, 1997. By that time, 1,370 titles had been issued. Expansion of the pilot effort to 72 collective farms resulted in the issuance of 57,281 titles by the end 1997 and 19,500 titles in early 1998. This represents an extraordinary event and unique to the former Soviet Union as this is the first instance in which this many individual titles have been issued utilizing private survey firms and at a dramatically reduced cost from \$40.00 to \$2.00 per land title.

IR 1.1.4: Privatized enterprises acquire associated land and titles issued

This IR focuses on urban land privatization and consists of three indicators: (1) the cumulative number of enterprises acquiring associated land; (2) the cumulative number of titles issued; and (3) the number of sales to third parties.

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|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.4: Privatized enterprises acquire associated land and titles issued | | | |
| INDICATOR: Enterprises acquiring associated land | | | |
| UNIT OF MEASURE: number of enterprises SOURCE: MOP INDICATOR DESCRIPTION: accounting for funds transfer or other evidence COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 60 | 130 |
| | 1998 | 150 | |
| | 1999 | 300 | |
| | 2000 | N/A | |

Enterprises acquiring associated land. As in most of the former Soviet Republics, when the GOM privatized enterprises and their corresponding assets, land was excluded from the balance sheets and, therefore, remained state-owned. As a result, a typical privatized enterprise in Moldova owns its buildings but not the land on which they are located. Although privatized enterprises are not prohibited from owning land underneath and surrounding their privately owned buildings, until June 1997 no known privatized enterprise had acquired its associated land from the state. There are two reasons for this. First, the normative price for enterprise land was not affordable to privatized enterprises. Second, no mechanism existed by which to transfer the ownership of such land from the state to privatized enterprises.

To reduce the exorbitant prices imposed by the Law on Normative Prices of Land, USAID assisted the Ministry of Privatization in developing a legal and regulatory environment conducive to a land and real estate market, including drafting an amendment to the law and its implementing regulations. After many months of intensive work, the Government approved the proposed amendment to reduce normative prices by as much as 90 percent in some areas (by 66 percent in the capital). In June 1997, Parliament amended the law, approving a new schedule of prices. After passage of the amendment, a USAID contractor assisted 130 privatized enterprises in acquiring title to their land, far exceeding our target of 60 enterprises.

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.4: Privatized enterprises acquire associated land and titles issued | | | |
| INDICATOR: Titles issued | | | |
| UNIT OF MEASURE: number of titles SOURCE: Booz-Allen & Hamilton INDICATOR DESCRIPTION: COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 60 | 105 |
| | 1998 | 150 | |
| | 1999 | 300 | |
| | 2000 | N/A | |

Titles Issued. A total of 105 titles allowing sale and mortgage of land were issued in 1997, against a target of 60 representing a notable achievement. The issuance of these titles represents progress achieved after close to two years of USAID-supported legal and regulatory assistance. This assistance focused on reducing exorbitantly high normative price of land to more affordable levels, the ability to purchase land through installment payments, and multiple regulations to streamline the registration and titling process. Absent this effort, the emergence of a real estate market would have been greatly reduced.

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|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.4: Privatized enterprises acquire associated land and titles issued | | | |
| INDICATOR: Number of sales to third parties | | | |
| UNIT OF MEASURE: number SOURCE: Booz Allen & Hamilton INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996(B) | -- | -0- |
| | 1997 | 10 | 0 |
| | 1998 | 25 | |
| | 1999 | 40 | |

| | | | |
|--|------|-----|--|
| | 2000 | N/A | |
|--|------|-----|--|

Number of sales to third parties. No sales to third parties occurred in 1997 (vs. a target of 10) for two reasons. First, enterprises initially acquiring their associated land have small parcels, which are difficult to subdivide and resell. High prices for urban enterprise land remains an impediment for large enterprises seeking to privatize associated land. Second, new owners may not sell any part of their land until all installments have been paid. It is expected that a number of third party sales will occur in 1998.

IR 1.1.3/4.1 Legal framework enables land privatization

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.1 Increased Transfer of State-Owned Assets to the Private Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.1.3./4.1: Legal framework enables land privatization | | | |
| INDICATOR: Land prices reduced | | | |
| UNIT OF MEASURE: Yes/No SOURCE: MOP, Parliament INDICATOR DESCRIPTION: Parliament adopts amendment to Law on Normative Prices of Land COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | No |
| | 1997 | Yes | Yes |
| | 1998 | N/A | |
| INDICATOR: GOM adopts decision to streamline rural land titling and registration procedures | | | |
| UNIT OF MEASURE: Yes/No SOURCE: MOP INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | No |
| | 1997 | Yes | Yes |
| | 1998 | N/A | |

This IR focuses on two very specific aspects and indicators of land privatization. The first indicator (**land prices reduced**) has to do with successfully amending the Law on Normative Prices of Land. The second indicator (**GOM adopts decision to streamline land titling and**

registrations procedures) has to do with streamlining the titling and registration procedures applicable to rural land titles.

Both laws were passed in 1997 as planned. The effect of reducing land prices is discussed above. Forty raions had an 80 percent reduction in price, and raions containing major cities had 50 to 70 percent reduction in price. Streamlining of the titling and registration procedures has eliminated a multitude of cumbersome and costly procedures. Previously, bureaucratic and complex procedures, in addition to exorbitant titling fees, made it very difficult for peasant farmers to obtain constitutionally protected land titles. Unreasonable survey, land arrangement and titling procedures meant it could take as long as 12 months for the Ministry of Agriculture (MOA) to issue one land title. The lack of MOA capacity to perform the required survey and land arrangement projects limited its efforts to no more than a few collective farms each year.

Through unpublished instructions, the MOA illegally imposed a fee of \$32.60 to \$39.10 per title for survey and agrotechnical work to be paid to a single MOA agency for performance of parceling and titling work. The original fee for a title certificate per land share of three to four parcels was \$40, and the process was managed centrally by the Central Cadastre Data Bank in Chisinau. Now the process is handled locally, involves private survey firms and costs about \$10 (\$8 for the survey and \$2 for the title certificate).

2. Expected Progress through FY 2000 and Management Actions

In FY 1999, USAID will also continue to support rural and urban land privatization. Resources will be needed to complete the breakup of 550 collective farms and issue an estimated 1.6 million land titles, continue development of the legal and regulatory framework, and assist the GOM in streamlining the survey and titling and registration process.

USAID welcomes the support and commitment of the World Bank and the International Monetary Fund. Both entities work closely with USAID in setting common privatization targets and garnering support in Parliament for privatization laws and other issues.

As planned, USAID is taking the lead in a national roll-out effort targeted at remaining collective farms. Now that Parliament has amended the law on land pricing, additional resources will be required to support an expanded effort of the urban land privatization program with the expectation of providing the necessary information and/or manual to more than 1,100 medium and large privatized enterprises. Efforts will also target developing performance-based real estate brokers to create a fledgling real estate industry.

Strategic Objective 1.2:
Increased soundness of fiscal policies and fiscal management practices

| Objective Name | Rating | Evaluation findings |
|---|--------|---------------------|
| SO 1.2 Increased soundness of fiscal policies and fiscal management practices | Met | N/A |

Moldova achieved steady progress in its fiscal reform program in 1997. Most of the targets were met, although in a few cases this happened later than was anticipated. The single tax code advanced considerably, with the passage of the corporate and individual income tax law (Titles I and II), effective January 1, 1998, and the value-added tax law (Title III), effective July 1, 1998. Implementation of these laws has proceeded on schedule; tax administration is expected to be aided considerably by the 1998 implementation of a computerized system, procured under a World Bank loan with the assistance of USAID advisors. In addition, the MOF has established a training center with assistance from USAID. This should help with implementation of new tax laws and tax administration techniques, as well as with development of other MOF functions. Training activities have been undertaken in related areas, notably international accounting standards, in cooperation with the World Bank and other USAID projects.

Improvements in the MOF's budget preparation process moved ahead, with the adoption of detailed budget instructions for the 1998 budget, including ministry expenditure ceilings. The treasury system also advanced, with the opening of the Chisinau regional office and the installation of computerized systems there to handle about 50 percent of all government financial transactions. In addition, the USAID-assisted Center for Budgetary and Financial Analysis has enhanced Parliament's capacity to deliberate on budgets and other economic policy legislation.

Despite the long-awaited turnaround to positive growth in the economy, Moldova still failed to meet the IMF deficit target, owing largely to higher than expected expenditures, detailed below. While further progress is expected on fiscal reforms in 1998, along with gains from the implementation of new tax laws, the achievement of planned targets could be affected by the results of the Parliamentary elections scheduled for late March.

1. Performance Analysis

SO 1.2: Increased soundness of fiscal policies and fiscal management practices

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2: Increased Soundness of Fiscal Policies and Fiscal Management Practices | | | |
| INDICATOR: GOM meets IMF deficit target | | | |
| UNIT OF MEASURE: Yes/No SOURCE: IMF INDICATOR DESCRIPTION: budget deficit as percentage of GDP does not exceed limit in IMF program COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | No |
| | 1997 | Yes | No |
| | 1998 | Yes | |
| | 1999 | Yes | |
| | 2000 | Yes | |

The indicator is **GOM meets IMF deficit targets**. The government did not meet the 1997 deficit target. Even though the target was revised upwards from 3.5 percent to 4.5 percent, the actual deficit came in at 6.75 percent. This occurred despite positive growth of 1.35 percent in GDP -- for the first time since independence -- and revenues meeting estimated levels. The higher deficit was due to higher than planned expenditures in such areas as education, subsidies to state enterprises, and payments of wage and pension arrears. This poor performance is likely to result in continued restrictions on IMF lending.

IR1.2.1: MOF budgeting and financial management practices are reformed

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.1: MOF budgeting and financial management practices are reformed | | | |
| INDICATOR: Comprehensive budget process law implemented following adoption | | | |
| UNIT OF MEASURE: Yes/No SOURCE: Ministry of Finance, Parliament INDICATOR DESCRIPTION: Covers State budget classification, preparation, adoption, execution, control and auditing, plus local government budgets and State debt authority COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | No |
| | 1997 | Yes | Yes |
| | 1998 | Yes | |
| | 1999 | Yes | |
| | 2000 | Yes | |

The indicator is **Comprehensive budget process law implemented following adoption**. The budget process law was adopted on March 31, 1997, and implemented for the 1998 budget. Further refinements will be made for the 1999 budget.

U.S. Treasury (UST) Budget Advisors to the MOF have played substantial roles in facilitating reforms in the budget and treasury systems since 1995, most recently in preparing a handbook for implementation of the budget process law. However, UST reassigned its Budget Advisor in October 1997 and has not replaced him. This is likely to make it more difficult to promote and track reforms and fulfillment of targets for the budget and treasury systems.

IR 1.2.1.2: Treasury system that integrates budget execution, accounting, cash and debt management is implemented

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.1.2: Treasury system that integrates budget execution, accounting, cash and debt management is implemented | | | |
| INDICATOR: Bank accounts of State organizations related to State budget expenditures or collection of State budget revenues are closed or otherwise taken over by the Treasury | | | |
| UNIT OF MEASURE: number of accounts moved to Treasury | YEAR | PLANNED | ACTUAL |

| | | | |
|--|---------|----------|------|
| SOURCE: Ministry of Finance INDICATOR DESCRIPTION: All such accounts brought under control of the Treasury (base = +/- 1000) COMMENTS: <hr/> | | | |
| | 1995(B) | -- | -0- |
| | 1997 | 400 | 1000 |
| | 1998 | 100 0 | |
| | 1999 | 100 0 | |
| | 2000 | 100 0 | |

Significant progress was made on the development of the treasury system in 1997, with all revenue and expenditure accounts of State organizations closed and their functions taken over by the Treasury.

IR 1.2.1.2.1: Computerized treasury system is operational

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.1.2.1: Computerized treasury system is operational | | | |
| INDICATOR: Treasury system is fully deployed | | | |
| UNIT OF MEASURE: % completion of the project SOURCE: Ministry of Finance INDICATOR DESCRIPTION: Operating system installed and fully tested COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -0- |
| | 1997 | 100 | 50 |
| | 1998 | 100 | |
| | 1999 | 100 | |
| | 2000 | 100 | |

Due to lags in progress on the computerized treasury system in 1996 and early 1997, the target of full deployment of the system in 1997 was not met. However, the system was installed and tested in coordination with the existing system in the Chisinau regional treasury, which represents 50 percent of total transactions. The computerized system is expected to be extended to the nine other regional treasuries in Moldova as of April 1, 1998, so there is every reason to believe that the 100 percent target will be met this year.

IR 1.2.2: A market-oriented tax system that encourages compliance is created

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.2: A market-oriented tax system that encourages compliance is created | | | |
| INDICATOR: Tax base broadens | | | |
| UNIT OF MEASURE: percent growth in number of returns filed over baseline SOURCE: Ministry of Finance INDICATOR DESCRIPTION: sources of income subject to tax COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996(B) | -- | N/A |
| | 1997 | 0 | 0 |
| | 1998 | 25 | |
| | 1999 | 35 | |
| | 2000 | 45 | |

The first indicator is **tax base broadened**, and the unit measurement has been more clearly defined as numbers of tax returns filed/percent of growth over base year. The base year is 1996, and as anticipated in the target, there was no growth in 1997. With the passage of the new income tax law, effective January 1, 1998, Moldova was in a period of transition to a new system during 1997 and will continue to be in transition throughout most of 1998. Results of these efforts will only be fully discernable when 1998 tax returns begin to be processed in the early months of 1999.

However, there are good reasons to believe that Moldova is on target to meet the goal of a broader base for taxation. Significant growth in the tax base of about 25 percent is expected for 1998 as the new law is implemented, then slowing to about 10 percent growth in subsequent years. Specifically, Title II of the Code, the individual income tax, will remove the poorest individuals from the tax rolls, while ensuring that those who are financially more secure contribute to the budget. With respect to Moldova's industrial and commercial enterprises, Title I of the Code, the corporate income tax, when coupled with the shift to international accounting standards as introduced by Moldova's Accounting Standards Board on January 1, 1998, will result in fairer taxation, based on a realistic rather than notional definition of profit. In addition, the availability of incentives for increased investment -- such as depreciation and net operating loss carry-forwards -- will push decision making toward new investment in plant and equipment, which should enhance productivity and growth. The law also recognizes the importance of the agricultural sector, which is key to Moldova's economic future, by ensuring beneficial tax treatment, both in terms of allowances for net operating losses, and phase-in of tax changes

through a credit system in the early years.

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.2: A market-oriented tax system that encourages compliance is created | | | |
| INDICATOR: Revenue generated compared to expected with full compliance | | | |
| UNIT OF MEASURE: percent SOURCE: INDICATOR DESCRIPTION: generated as percentage of expected COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996(B) | -- | -25- |
| | 1997 | 30 | 30 |
| | 1998 | 40 | |
| | 1999 | 60 | |
| | 2000 | TB D | |

With respect to the second indicator, **revenue generated compared to expected with full compliance**, the target for 1997 was 30 percent. Based on the available figures, this target appears to have been met for most categories of taxpayers (e.g., individuals, small businesses, etc.), and as forecast, there should be a continued increase as the computerized tax system is brought on line over the next year.

IR 1.2.2.1: Tax system supports economic growth

| | | | |
|--|-------------|-----------------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.2.1: Tax system supports economic growth | | | |
| INDICATOR: Income tax laws are revised using international standards and combined into a consistent legal framework | | | |
| UNIT OF MEASURE: number of laws SOURCE: Parliament INDICATOR DESCRIPTION: income tax laws contained in a single tax code passed by Parliament COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996(B) | -- | 35 laws |
| | 1997 | single law | single law |
| | 1998 | N/A - result achieved | |
| | 1999 | | |
| | 2000 | | |

The key indicator here is **Income tax laws (corporate and individual) are revised using international standards and combined into a single tax code**

The Parliament of Moldova enacted the corporate and individual income tax law on April 27, 1997, with an effective date of January 1, 1998. This law becomes Titles I and II of the Tax Code of Moldova, the start of the single tax code.

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.2.1: Tax system supports economic growth | | | |
| INDICATOR: Export earnings rise due to modernization of VAT law (from origin to destination base) | | | |
| UNIT OF MEASURE: Yes/No SOURCE: MOS INDICATOR DESCRIPTION: Inflation-adjusted rise in export earnings over prior year following enactment COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | No |
| | 1997 | No | No |
| | 1998 | Yes | |
| | 1999 | Yes | |
| | 2000 | Yes | |

Title III, the value-added tax law, was passed by the Parliament on December 17, 1997, and is expected to be promulgated in the first quarter of 1998, with an effective date of July 1, 1998. Thus there is potential for meeting the second indicator of **Export earnings rise due to modernization of the VAT law** on schedule in 1998, although the full impact of the new law could be delayed into 1999.

IR 1.2.2.2 Tax laws are fairly and efficiently administered

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.2.2.2: Tax laws are fairly and efficiently administered | | | |
| INDICATOR: Ratio of tax administration costs to tax collections decreases | | | |
| UNIT OF MEASURE: Yes/No SOURCE: STS INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | No |
| | 1997 | No | Yes |
| | 1998 | Yes | |
| | 1999 | Yes | |

| | | | |
|--|------|-----|--|
| | 2000 | Yes | |
|--|------|-----|--|

Based on the fact that the State Tax Service did not grow during 1997, while results currently available show that tax collections have increased, it is assumed that the target of a decrease in the ratio of cost of tax administration to tax collection has been achieved ahead of schedule.

However, there is concern that the STS is significantly underfunded, especially in the area of staff remuneration, which could be counter-productive by creating a situation which prevents effective internal security and anti-bribery efforts.

A significant development in 1997 was the establishment of a Training Center for the MOF. This activity was originally planned for 1998, but owing to the keen interest of the Minister, funding was allocated a year early. The facility and renovation costs were provided by the MOF, and USAID has contributed furnishings, equipment and ongoing assistance in course development and presentation. Additional courses will be provided in various areas related to the responsibilities of the MOF over the next few years, and USAID is working with other organizations, such as the World Bank to develop curriculum and train trainers. A particular emphasis at this point is providing training in international accounting standards to classes composed of both accountants and tax officials.

IR 1.2.3: Parliament acts affirmatively on fiscal reform legislation

| |
|--|
| OBJECTIVE: SO 1.2 Increased Soundness of Fiscal Policies and Fiscal Management Practices APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova |
| RESULT NAME: SO 1.2.3: Parliament acts affirmatively on fiscal reform legislation |
| INDICATOR: Budget process law is adopted |
| UNIT OF MEASURE: SOURCE: Parliament |
| INDICATOR DESCRIPTION: law established procedures and deadlines for executive and legislature action on the budget |
| COMMENTS: The result was achieved in 1996. |

The key indicator is **Budget process law is adopted**. The target was met in 1996 when the law was passed; it was implemented in 1997.

2. Expected Progress through FY 2000 and Management Actions

Moldova has an excellent record of progressing on fiscal reforms in a steady and orderly way, and it is reasonable to assume that this will continue to be the case through the remainder of FY 1998 and 1999. The MOF is highly receptive to the assistance provided by USAID in tax reform and administration and is eager to expand the program into related areas, notably intergovernmental finance, real property tax and customs law administration. As previously noted, the Parliament is also appreciative of the assistance provided, especially with the establishment of the CBFA. An indication of this is the fact that the Parliament is already providing funding for the Center and is committed to assuming full funding responsibility for staff and operations as of the 1999 budget. In general, the USAID program is involving an increasing number of Moldovan professionals in developing planned activities, thus building permanent capacity for continuing the reforms. Current activities to be continued include:

- C Complete work on the major sections of the planned Tax Code, including any necessary revisions of new corporate and individual income tax laws and value-added tax laws and passage of the excise tax reform legislation now in draft and any required administrative provisions.
- C Refine and complete work on revision, codification and promulgation of regulations for the tax laws listed above. Major emphasis on improvement of tax

- administration, including development of enforcement techniques, reorganization of State Tax Service, and training of tax officials.
- C Complete procurement of computers for the STS under the World Bank loan and undertake installation and activation of the system, first in Chisinau and then throughout the country.
- C Assist with computerization of the treasury system in conjunction with the STS computerization, to ensure that the MOF has fully compatible systems that cover all of its financial management needs.
- C Complete staffing of the Parliamentary Center and continue training of staff in analytic techniques.

In order to meet the broader fiscal reform needs in Moldova as defined by the Ministry of Finance and also by those engaged in USAID privatization programs, the program should also undertake activities in additional areas, as follows. At the insistence of the MOF, USAID is already doing a assessment of potential assistance in the first two interrelated areas, intergovernmental finance and real property. The third, customs, is a major concern from a revenue and tax administration perspective, and proposed aid from other donors has thus far not materialized. If resources permit, USAID should consider funding technical assistance in this area for the activities described below.

- (1) Intergovernmental Finance: Development of a modern system of fiscal federalism/ intergovernmental finance, including assignment of revenue sources and expenditure responsibilities, establishment of a system of central government transfers to local government, and training of local finance officials in budgeting techniques.
- (2) Real Property Tax: Development of a draft law and preparation for administration and training, in conjunction with land privatization activities and in support of intergovernmental finance reform--including developing a land register (in progress to some extent) and assessment techniques.
- (3) Customs: Modernization of customs law and administration, to relieve major problems in revenue collection (not only customs duties but also VAT and excise taxes), reduce corruption and tax evasion, and facilitate the conduct of international trade.

Despite real progress on fiscal reform, however, concerns about Moldova's economy and budget continue. As noted, the GOM once again fell short of IMF budget deficit targets in 1997, despite the long-awaited turnaround in the economy resulting in modest economic growth. Failure to achieve the deficit target was due to expenditures in excess of budgeted levels, which may be related to the parliamentary elections scheduled for March 1998.

While further progress is expected on fiscal reforms in 1998, along with gains from the implementation of the new tax laws, the achievement of planned targets could be hampered by the results of the Parliamentary elections. One of the factors that has enabled Moldova to move ahead with tax and budget reform has been the stability of the reform-oriented leadership in key

policy positions in both the Ministry of Finance and the Parliament. With the advent of a new Parliament, there may be changes in this leadership. Given the impressive progress already made on fiscal reform, it is hoped that any new leadership will be similarly committed to reform.

Strategic Objective 1.3: Accelerated development and growth of private enterprises

| Objective Name | Rating | Evaluation findings |
|--|--------|---------------------|
| SO 1.3 Accelerated development and growth of private enterprises | Met | |

This strategic objective encompasses the very broad range of objectives and activities needed to accelerate the growth of the private sector. Results depend heavily on success in the complementary SOs of privatization, financial sector and fiscal policy development. USAID activities to achieve SO 1.3 can be categorized into those that directly assist enterprises and those that establish an enabling environment for their development.

1. Performance Analysis

SO 1.3: Accelerated development and growth of private enterprises

| | | | |
|---|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: SO 1.3: Accelerated development and growth of private enterprises | | | |
| INDICATOR: Private sector firms operating and generating employment | | | |
| UNIT OF MEASURE: percent increase SOURCE: DAI/ Ministry of Statistics INDICATOR DESCRIPTION: annual percent increase of registered firms over baseline COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996 | -- | 106,848 |
| | 1997 | 5 | 18 |
| | 1998 | 10 | |
| | 1999 | 15 | |
| | 2000 | 20 | |

Progress for this SO is measured by the increase in the number of **Private sector firms operating and generating employment**, expressed as a percent change over the previous year. Available data suggest that this SO substantially achieved targets in 1997. According to Moldovan Economic Trends, a EU-TACIS publication based on data from the Chamber of Registration of the Ministry of Justice, the number of firms increased from 106,848 in 1996 to 126,622 in

October 1997, representing an increase of more than 18 percent in only nine months.

However, available data should be examined with caution. Even though the number of new firms seems to be growing very rapidly, it is suspected that many of them are set up for only one transaction. It is for this reason that, in March 1997, the GOM ordered the re-registration of all business enterprises to determine how many were truly operational. Preliminary data indicate that the earlier figures will need to be revised.

IR 1.3.1: Wide Availability and Flow of Business-related Information and Services

The measure for this IR is growth in circulation of the top business periodical in Moldova. This IR is supported by three other IRs: **1.3.1.1: Business management consulting industry developed**; **1.3.1.2: USAID business networks expanded**; and **1.3.1.3: Business training widely available**. ~~Progress is evident in each of these areas:~~ not only is the flow of business-related information growing, but at increased cost to the consumer, indicating real growth in the business information market.

| | | | |
|--|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.1: Wide availability and flow of business-related information and services | | | |
| INDICATOR: Circulation of top business periodical in Moldova: <u>Economic Review/LogosPress</u> | | | |
| UNIT OF MEASURE: percent increase over baseline SOURCE: periodical circulation INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996 | -- | #: 8,000 |
| | 1997 | 5 | 7.4 |
| | 1998 | 10 | |
| | 1999 | 15 | |
| | 2000 | TBD | |

Circulation of the *Economic Review/Logo Press* grew 7.4 percent in 1997 compared to the five percent target. It is one of the three profitable periodicals in Moldova, and unlike others, contains about 60 percent paid advertising. Paid subscriptions account for about half the circulation and 40 percent of it is outside of Chisinau. The periodical added a section on legal and regulatory information, which increased its size from 32 to 40 pages. The same publisher started a business related newspaper in 1997 whose circulation has grown to 2,000 despite a 30 percent increase in price over the start-up price. There is a growing market of people willing to pay for business information.

1.3.1.1: Business Management Consulting Industry Developed

| | | | |
|---|-------------|-------------------|--------------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.1.1: Business management consulting industry developed | | | |
| INDICATOR: positive environment for business management consulting industry | | | |
| UNIT OF MEASURE: number SOURCE: Chamber of Commerce of Moldova INDICATOR DESCRIPTION: registered management consulting firms based on proxy review of industry COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1996 | -- | -45- |
| | 1997 | 81 | 75 |
| | 1998 | 89 | |
| | 1999 | 98 | |
| | 2000 | TBD | |
| INDICATOR: USAID-assisted consulting firms demonstrate ability to secure business clients | | | |
| UNIT OF MEASURE: (A) number of engagements (B) \$ collected (thousands) SOURCE: EWMI INDICATOR DESCRIPTION: paid engagements COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995 | -- | (A) 0; (B) 0 |
| | 1997 | (A) 63; (B) 85 | (A) 85; (B) 155 |
| | 1998 | TBD | |
| | 1999 | TBD | |
| | 2000 | TBD | |

The two indicators for this IR provide conflicting information in that one target was exceeded and one was not met. One is the number of management consulting firms registered with the Chamber of Commerce of Moldova and the other is the volume of business of USAID-assisted consulting firms. The Chamber of Commerce shows tremendous growth in 1996 (from 45 to 74) and only one more company in 1997, for a total of 75. The six consulting firms assisted by USAID did \$155,000 of business compared to the \$85,000 target. The firms have been operating without USAID support on a for-profit basis since August and two of the local consultants involved

started new companies.

1.3.1.2: USAID Business Networks Expanded

| | | | |
|--|-------------|---------------------|---------------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.1.2: USAID business networks expanded | | | |
| INDICATOR: participants in business information network | | | |
| UNIT OF MEASURE: (A) number of participants (B) number of paying subscribers SOURCE: DAI/NewBizNet INDICATOR DESCRIPTION: paid engagements COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995 | -- | (A) 0; (B) 0 |
| | 1997 | (A) 300; (B) 50 | (A) 314; (B) 145 |
| | 1998 | (A) 400; (B) 75 | |
| | 1999 | (A) 500; (B) 150 | |
| | 2000 | TBD | |

The NewBizNet program had a target of 300 participants/clients and 50 paying customers in 1997. The NewBizNet Center became employee-owned in October, and had 314 participant/clients and 145 paying customers by the end of 1997. As of January 1998, monthly revenue was \$9,805 and the Center estimates \$10,000 as the break-even point. The Center is approaching self-sufficiency faster than expected. The client base supporting it breaks out into the following categories: 38 percent agribusiness, 23 percent industrial production, 39 percent trade and other services.

IR 1.3.2: Legal, regulatory and political environment conducive to sustainable enterprise growth

| | | | |
|---|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.2: Legal, regulatory and political environment conducive to sustainable enterprise growth | | | |
| INDICATOR: Foreign direct investment in Moldova | | | |
| UNIT OF MEASURE: cumulative \$(millions) SOURCE: National Bank of Moldova | YEAR | PLANNED | ACTUAL |

| | | | |
|---|--------|----------|---------|
| INDICATOR DESCRIPTION: COMMENTS: * revised upward ** October 1, 1997 *** adjusted to reflect conversion of \$650m of Moldovan and Transdnietran indebtedness to Gazprom into equity of Moldovagaz | | | |
| | 1/1/95 | -- | -24.7- |
| | 1997 | 142.3* | 149.1** |
| | 1998 | 847.3*** | |
| | 1999 | 886.7*** | |
| | 2000 | 922.3*** | |

Progress for this IR is measured by the **cumulative amount of foreign direct investment (FDI)** in Moldova. The revised baseline data from the National Bank of Moldova show that FDI increased from \$24.7 million in January 1995 to \$90.24 million in January 1996, and \$121.41 million in January 1997. As of October 1997, FDI reached \$149.1 million, exceeding the 1997 target of \$100 million.

IR 1.3.2.1: Commercial legal system developed

An assessment of the status of commercial law in Moldova concluded that there was a recognized need for commercial law reform, as development of relevant laws was disorganized. Though a number of laws continue to be enacted, a framework for this legislative activity and an understanding of the commercial needs underlying it are lacking. Drafting has been casual, which has led to the enactment of poor legislation.

A project to improve the institutional infrastructure for commercial law in Moldova was initiated in January 1998. The initial focus will be to build the capacity within relevant portions of the Moldovan government to draft coherent commercial legislation that is compatible with and promotes a market economy. An early aspect of this work will be to assist the Ministry of Justice in its evaluation of the nearly-completed draft civil code, which establishes the basic framework for commercial law. New indicators and targets for this project will be established in the immediate future.

IR 1.3.2.2: International accounting standards adopted

This IR monitors progress in adopting and issuing international accounting standards. Three indicators are used for this purpose: (1) dues-paying members of the Moldovan Association of Professional Accountants and Auditors; (2) the certification program offered by the association develops professional qualifications of accountants and auditors; and (3) the number of companies listed on the stock market with financial statement conforming to IAS standards as defined by the State Commission on Securities Markets.

| | | | |
|--|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.2.2: International accounting standards adopted | | | |
| INDICATOR: Dues-paying membership of the Moldovan association performing as an SRO | | | |
| UNIT OF MEASURE: number of persons SOURCE: SROs INDICATOR DESCRIPTION: Association of Moldovan Accountants and Auditors of the Republic of Moldova COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995 | -- | - 0 - |
| | 1997 | 300 | 340 (2/98) |
| | 1998 | 450 | |
| | 1999 | 600 | |
| | 2000 | TBD | |

Dues-paying members of the Moldovan Association of Professional Accountants and Auditors performing as a self-regulatory organization. The Association of Professional Accountants and Auditors (ACAP) was legally registered in August 1996 and was the first self-regulatory organization (SRO) of its kind established in the FSU. When the ACAP was registered, it numbered only 21 members. An additional 180 members joined by the end of 1996. As of February 1998, ACAP registered 340 paying members.

Certification program offered by the association develops professional qualifications of accountants and auditors. ACAP certification consists of three levels -- A (highest), B, and C. Level C includes three examinations in financial accounting; managerial accounting; and economics, mathematics, and business management. Level B focuses on the accounting standards of the Republic of Moldova, production cost accounting, and information technology and business skills. Level A examines the candidates' ability in corporate finance, law taxation, auditing, financial accounting, and management accounting. As of February 1998, 20 candidates were examined in Level C, but only seven of them passed.

Number of companies listed on the stock market with financial statement conforming to IAS standards as defined by the State Commission on Securities Markets. As noted in last year's review, no progress on this indicator is expected until 1998 when enterprises issuing financial statements in conformity with IAS will be listed on the Moldova Stock Exchange (MSE). The MSE has three listing tiers with differing disclosure requirements. These disclosure requirements have to do with the level of statutory capital, number of shareholders, level of profits, and the need to issue audited financial statements. It is these disclosure requirements

which keep most enterprises from being listed, registered or trading on the exchange due to their concerns about the transparency of their activities, as well as the financial cost of issuing audited financial statements.

IR 1.3.2.4: Corporate governance standards followed

| | | | |
|--|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.2.4: Corporate governance standards followed | | | |
| INDICATOR: Corporations file annual reports with SCSM | | | |
| UNIT OF MEASURE: number of annual reports SOURCE: SCSM INDICATOR DESCRIPTION: <hr/> COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995 | -- | - 0 - |
| | 1997 | 105 | N/A |
| | 1998 | 158 | |
| | 1999 | 197 | |
| | 2000 | TBD | |

The IR is measured by the number of corporations that file annual reports with the State Commission on Securities Markets (SCSM). Data for 1997 show that results obtained exceeded even the 1999 target. It should, however, be noted that despite the intensive efforts to ensure disclosure of information and transparency, the number of corporations filing reports with SCSM remains low relative to the number of companies subject to reporting.

IR 1.3.2.6: An open trade regime

| | | | |
|---|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.2.6: An open trade regime | | | |
| INDICATOR: Accession to the World Trade Organization (WTO) | | | |
| UNIT OF MEASURE: Accession SOURCE: WTO Secretariat INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995 | No | No |
| | 1997 | No | No |
| | 1998 | No | |
| | 1999 | Yes | |
| | 2000 | Yes | |

In December 1995, Moldova requested accession to the WTO, but did not submit the required GOM Memorandum on Foreign Trade Regime, thereby delaying the target of accession from 1998 to 1999. The First Working Party meeting on Moldova's application was held in June 1997, and the Second Working Party is scheduled for March 18, 1998, after which Moldova expects to proceed with bilateral negotiations on accession with member states.

The GOM has taken a number of legislative initiatives to make its trade regime compatible with WTO requirements. ~~Acting on these initiatives, Parliament~~ has already adopted public procurement and customs laws. The 1998 State Budget provides for application of the destination-based principle for VAT collection (except, temporarily, for Russia). In terms of institutional measures, an interministerial commission has been created to coordinate actions for accession and an Embassy has been opened in Geneva.

IR 1.3.3: Selected agricultural joint ventures created

This IR measures the establishment of joint ventures of U.S. agribusinesses with their Moldovan partners. To encourage U.S. business to invest in Moldova, the current partnership program provides U.S. companies a maximum of \$500,000 to establish a business, if the U.S. partner matches at least 2.5 times this amount. USAID funds are used primarily for training, consulting, and limited commodity support.

Two indicators are used to measure performance: (1) the number of new joint ventures created; and (2) the dollar amount of U.S. private investment leveraged by the joint ventures.

| | | | |
|---|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.3: Selected agricultural joint ventured created | | | |
| INDICATOR: New joint ventures created through FSRP | | | |
| UNIT OF MEASURE: number: (A) Farm Service Centers; (B) Ag Processing Centers SOURCE: FSRP, Enterprise Fund INDICATOR DESCRIPTION: US/Moldova joint ventures COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995 | -- | (A) 0; (B) 1 |
| | 1997 | (A) 2; (B) 4 | (A) 2; (B) 2 |
| | 1998 | (A) 3; (B) 8 | |
| | 1999 | (A) 1; (B) 12 | |
| | 2000 | TBD | |

Number of new joint ventures created. The targets for 1997 were two farm service centers and four agricultural processing enterprises. Actual results activity show that two farm service centers and two processing enterprises have been established in addition to one horticultural demonstration plot.

Agroprocessing enterprises. One of the biggest successes in 1997 was the CNFA-promoted investment in the Hincesti Dairy plant by Developed Technologies Resource (DTR), a Minnesota-based partner. The positive impact of the project on local farmers, dairy plant employees and retailers has been greater than anticipated. Once close to bankruptcy, the dairy plant has extended operation from 60 hours per month to 55 hours per week, processing up to 25 tons of milk per day. Twenty-five new jobs have been created and 150 retailers are actively engaged in Hincesti-related activities.

Farm Service Centers. One farm service center was set up in September 1997. The center offers training and agricultural inputs, as well as technical services to fruit and nut growers through a commodity center in the Soroca community. The joint venture was created between the California-based Food Pro International Inc. and its local partner, Sorexpo SRL. The Soroca Commodity Center plans to expand production from walnuts to dried fruits. The training provided through the center will help growers acquire Western cultivation techniques, including new crop protection and harvesting methods.

In December 1998, another farm service center specializing in providing agricultural inputs, training and credit to grape growers was established in the south of Moldova. The Kazayak-Vin Joint Venture was set up by Rhone-Poulenc through a contribution of \$ 1.4 million. The local

partner is Cazaiac JSC.

In October 1997, INCON Group, a leading Moldovan producer and exporter of canned food and fruit juices, signed two contracts worth US\$ 1 million to establish a Farm Service Center and a research and demonstration apple orchard near Cupcini Cannery.

| | | | |
|--|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.3: Selected agricultural joint ventured created | | | |
| INDICATOR: Amount of U.S. private investment leveraged by the joint ventures created | | | |
| UNIT OF MEASURE: \$millions SOURCE: CNFA INDICATOR DESCRIPTION: Only those monies reflected in developing contracts of counterpart commitment COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995 | -- | -0.25- |
| | 1997 | 4.0 | 7.8 |
| | 1998 | 11.0 | |
| | 1999 | 12.0 | |
| | 2000 | TBD | |

Amount of U.S. private investment leveraged by the joint ventures created. In 1997, total commitments made by U.S. companies was \$ 7.8 million. Incon Group's investment amounted to \$3.310 million for both the Farm Service Center and the Cupcini orchard demonstration plot. USAID contributed \$2.5 million (for a leverage factor of 4:1) to attract \$13 million in new local and foreign investment. Thus, the 1997 target of \$4 million was greatly exceeded.

IR 1.3.4: Venture capital investment supplied

| | | | |
|---|-------------|----------------|---------------|
| Objective: SO 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT NAME: IR 1.3.4: Venture capital investment supplied | | | |
| INDICATOR: Venture equity or debt supplied to Moldovan businesses | | | |
| UNIT OF MEASURE: cumulative \$million SOURCE: West NIS Enterprise Fund INDICATOR DESCRIPTION: investment in Moldovan companies by West NIS enterprise fund COMMENTS: | YEAR | PLANNED | ACTUAL |
| | | | |

| | | | |
|--|------|-----|------|
| | 1995 | -- | -0- |
| | 1997 | 6.0 | 6.25 |
| | 1998 | 8.0 | |
| | 1999 | TBD | |
| | 2000 | TBD | |

During FY 1997, the Western NIS Enterprise Fund invested \$6.25 million in two enterprises in Moldova. During the same year, \$1.115 million was repaid to the Fund by Moldovan Enterprises.

The net increase in Moldovan investments was, therefore, \$5.135 million. The funds paid back can be relent at a later time. As of September 30, 1997, four other potential investments in Moldova totaling \$8.8 million had been visited by the fund and were in the process of further analysis. During most of FY 1997, the position of Chisinau Country Officer was vacant. The arrival of a new Country Manager in December 1997 is expected to have a positive effect.

One of the Moldovan enterprises in which the fund invested during FY 1997 is a glass bottle producer employing 205 workers. Despite \$1.3 million in unplanned financing requirements, substandard electrical supply and one-third of the promised telephone line, the company produced its first bottle on schedule in August 1997 and had reached its 80 percent production capacity by December 1997.

The other investment is an agricultural harvesting company that employs 60 people. The company kept seven Massey Ferguson combines fully occupied during the 1997 harvest season, and harvested 21,000 hectares. The new equipment left only 0.03 percent of the crop in the fields, compared to 24 percent by the old Russian combines.

These two examples illustrate that production-oriented business can operate and make money in Moldova. We hope that their example will help to accelerate the flow of foreign capital. We also expect that each success will demonstrate to Moldovan entrepreneurs how a successful business can be established and operated.

2. Expected Progress through FY 2000 and Management Actions

We anticipate continuing our efforts to develop business information and services through the full period of the Strategy. Funding, funding for the NewBizNet project and the business training and information services it provides will continue through FY 1999. In FY 1999, we will also explore expanding our services to micro and small businesses.

A new push to develop commercial law has recently begun and this will be supported through FY 1999. Support for adoption of international standards for corporate accounting will also continue through FY 1999. At the end of that year, we anticipate that the Association of Accountants' membership will have increased to 600 individuals, that the Association will be self-regulatory and increasingly self-financing, and that internationally-acceptable financial statements from Moldovan firms will begin to be available and relied upon by domestic and foreign investors.

Support for joint venture agribusiness partnerships will continue through the period of this Strategy, albeit with constraints. Support for venture capital through the West NIS Enterprise fund will also continue.

Strategic Objective 1.4:
A more competitive and market-responsive private financial sector

| Objective Name | Rating | Evaluation Findings |
|---|--------|---------------------|
| SO 1.4: A more competitive and market-responsive private financial sector | Met | N/A |

According to preliminary reports, Moldova registered just over 1 percent GDP growth in 1997. This was the first time in the last seven years that growth has been positive. Much of the explanation has to do with a strong (11 percent growth) agriculture sector, with industrial production still registering a small decline. Inflation continued to decelerate and was estimated at an annual rate of 11 percent, about four percentage points below the 1996 performance. The exchange rate kept its value for the second consecutive year. However, Moldova has not had a consistent record of compliance with IMF targets during 1997 and thus, there could be problems ahead in 1998.

Conditions for the banking sector continue to be difficult, despite the country's overall economic performance. Fundamental indicators of financial intermediation (velocity, money multiplier) have not shown much change over the last twelve months, suggesting that the public still does not use the banking system extensively. The expectation is that if Moldova's growth accelerates, and inflation is not reignited, there should be a significant increase in financial intermediation through the banking sector. Moreover, the banking system in Moldova is more fundamentally solid than those in many other NIS countries. This relative strength reflects the determination of the National Bank of Moldova, very early in the transition, to take a forthright stand on reorganizing and, when necessary, liquidating problem banks. Moldova also has one of the best banking laws in the NIS. With the recent implementation of international accounting standards in the banks, the NBM Supervision Department will be able to conduct a more rigorous analysis of banks' financial condition.

Moldova is at a likely take-off point in the development of a transparent and open securities market. In 1997, the volume and value of shares traded well surpassed the projected targets. While much of the trading was due to the consolidation of shares within investment fund portfolios, this is noteworthy. Portfolio consolidation is a signal that corporate governance may be taking hold, as minority shareholders gain a larger position on boards of directors of privatized enterprises. As corporate governance takes effect, enterprise restructuring will also commence as shareholders become more active in the decision-making process, take action to raise capital and vote changes in the management structure. The volume for both listed and unlisted companies has grown, with the greatest increase coming from those unlisted. The State Commission for Securities Markets is growing into its enforcement role and has begun to take corrective actions.

The time and resources invested by USAID to achieve one initial public offering (IPO), given the

present investment climate, may not justify further investment. Short-term government securities offer 20% but come at notable country risk. The same risk applies to company shares in Moldova, but returns are less certain. Therefore, most investors prefer securities.

1. Performance Analysis

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.4 A more competitive and market-responsive private financial sector APPROVED: June 1996 COUNTRY/ORGANIZATION: USAID/Kyiv | | | |
| RESULT NAME: SO 1.4: A more competitive and market-responsive private financial sector | | | |
| INDICATOR: Increased private sector investment | | | |
| UNIT OF MEASURE: Percent SOURCE: NBM INDICATOR DESCRIPTION: share of total commercial bank credits to private enterprises and households as percent of total bank credits COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -35- |
| | 1997 | 50 | 50 |
| | 1998 | 55 | |
| | 1999 | 60 | |
| | 2000 | TB D | |

Performance in 1997 was largely in line with projections. In the banking sector all targets except one were met. This can be summarized as reasonable progress, particularly in the face of the difficult macroeconomic environment sketched above.

Starting with the overall objective, **Increased private sector investment intermediated by the banking sector** (1.4) the expectation was for a small increase in commercial bank credits to the private sector, relative to total bank lending. The actual result was coincidentally exactly equal to the target. Fully 50 percent of the banking sector lending currently is to private entities. However, until the economy begins to register stronger growth and business lending opportunities become less risky, we can expect only a gradual rise of this proportion.

IR 1.4.1: Market-oriented private banking sector developed

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.4 A more competitive and market-responsive private financial sector APPROVED: June 1996 COUNTRY/ORGANIZATION: USAID/Kyiv | | | |
| RESULT NAME: IR 1.4.1: Market-oriented private banking sector developed | | | |
| INDICATOR: Assets of former state owned banks decreases | | | |
| UNIT OF MEASURE: Percentage SOURCE: NBM INDICATOR DESCRIPTION: total asstes of 4 former and current state-owned banks COMMENTS: Banks: Agroind Bank, Banca Sociala, Moldincon Bank, Savings Bank | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -70- |
| | 1997 | 62 | N/A |
| | 1998 | 57 | |
| | 1999 | 52 | |
| | 2000 | TB D | |

The next indicator, **Role of total assets of former state banks decreases relative to new private banks** is a guage of the development of a market-oriented private banking sector. It is measured by the state banks' percentage of the total assets in the banking system. As a private banking sector develops, the role of the four former state owned banks should decrease. Between 1995 and 1997, the private banking sector has grown very slowly. In the current economic environment, it is difficult for banks to muster additional capital domestically, and good lending opportunities are sharply circumscribed. Our expectation is that over the next few years, as economic growth picks up, so will the share of private banks.

IR 1.4.1.1: Financial infrastructure promotes confidence in the banking system

The heart of AID's work in Moldova concerns the development of the financial infrastructure. The notion is that these basic building blocks have to be in place in order to promote confidence in the banking system. Subcomponents of infrastructure development are IRs 1.4.1.1.1 through IR 1.4.1.1.3. The first one concerns accounting reform. There is a large USAID project to convert the banking system to international accounting standards and upgrade the back office functions of commercial banks. On January 1, 1998, the conversion to IAS finally took place, albeit eighteen months behind schedule. Much of the reason for this lapse was the delay in passing tax reform legislation which authorized the banks to switch to IAS. However, this lapse also afforded banks a substantial period to prepare the methodology. It is expected that reporting data to the National Bank supervision will contain valuable new information within a few months.

Another important component of the financial infrastructure is bank supervision. One measure of efficacy is the National Bank of Moldova (NBM) Supervision Unit's average composite rating of banks. The expectation is that as regulations on such basic issues as capital adequacy and lending are institutionalized, the overall quality of the banking system should gradually improve. As predicted in last year's submission, after large jumps in 1995-1996 (during this period the NBM cleaned up the bad bank problem inherited from the former regime), the composite rating can be expected to move more gradually in the future. Improvements in the index beginning this year are better correlated with improvement in bank operations because of growing competition in the system.

The off-site supervision system component, which is another module in USAID assistance to NBM Bank Supervision Department, does not yet meet the requirements of a functioning early warning system with analytic reports. Full implementation of such a system required prior implementation of IAS, and, as noted above, implementation did not take place until January 1998. The expectation, as noted earlier, is that this early warning system will be fully function in a very short time.

IR 1.4.1.2: Increase in savings mobilization through the banking system

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.4 A more competitive and market-responsive private financial sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: USAID/Kyiv | | | |
| RESULT NAME: IR 1.4.1.2: Increase in savings mobilization through the banking system | | | |
| INDICATOR: Increase in private sector investment | | | |
| UNIT OF MEASURE: M2/GDP (%) SOURCE: EU-TACIS, Moldovan Economic Trends INDICATOR DESCRIPTION: currency plus demand plus time deposits as percentage of GDP COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -13- |
| | 1997 | 18 | N/A |
| | 1998 | 21 | |
| | 1999 | 24 | |
| | 2000 | 28 | |

The success of developing a market-oriented banking system will be signaled by an increase in financial intermediation. (The formal financial sector intermediates between the society's savers and borrowers and uses interest rates to allocate financial resources efficiently.) The measure shown here under IR 1.4.1.2 is the standard international measure of increased financial intermediation -- **currency plus demand deposits as a percentage of GDP (M2/GDP)**. Many

countries in this region, in the wake of hyperinflation, saw a substantial reduction in this financial intermediation measure. Now that the economy has stabilized, inflation is not accelerating and the currency has been at the same level for two years, the expectation is that financial intermediation will increase and this ratio will rise. Even if Moldova achieves these targets in ensuing years, the 28 percent projected for the year 2000 is still considerably below the Eastern European countries where the average is 40 percent (but one-third above the current CIS average of 20 percent.)

I.R. 1.4.1.3: Increased competition in the banking system

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.4 A more competitive and market-responsive private financial sector APPROVED: June 1996 COUNTRY/ORGANIZATION: USAID/Kyiv | | | |
| RESULT NAME: IR 1.4.1.3: Increased competition in the banking system | | | |
| INDICATOR: Fall in intermediation spread | | | |
| UNIT OF MEASURE: percent SOURCE: NBU Bulletin INDICATOR DESCRIPTION: bank lending interest rate minus rate on deposits COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1995(B) | -- | -35- |
| | 1997 | 11 | 9 |
| | 1998 | 10 | |
| | 1999 | 9 | |
| | 2000 | TB D | |

The next indicator is the **Fall in the intermediation spread** (difference between lending and borrowing interest rates). In virtual all countries of the region, in the first years after the communist regimes were swept away, the enormous spreads were the most important source of profits for many banks. As predicted last year, after the huge, 22 percentage point decline between 1995 and 1997, in subsequent years we can expect much more gradual declines, largely reflect greater competition in the system. Last year the intermediation spread came down four percentage points to 9 percent as opposed to an 11 percent projection. The only danger is that with economic growth still sluggish, and profits under pressure, banks will become less careful about their lending policies. This is part of the reason that it is critical for the NBM Bank Supervision Department to redouble its regulatory efforts.

IR 1.4.3: Transparent and open securities system established

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.4 A more competitive and market-responsive private financial sector APPROVED: June 1996 COUNTRY/ORGANIZATION: USAID/Kyiv | | | |
| RESULT NAME: IR 1.4.3: Transparent and open securities system established | | | |
| INDICATOR: Total corporate securities market capitalization | | | |
| UNIT OF MEASURE: \$millions SOURCE: Securities Commission/Stock Exchange INDICATOR DESCRIPTION: sum of equity values of all listed | YEAR | PLANNED | ACTUAL |
| | | | |

| | | | |
|---|---------|---------|-------|
| companies having traded at least once on stock exchange or organized market in prior year COMMENTS: | | | |
| | 1995(B) | -- | -8.5- |
| | 1997 | 7.7 | 40.2 |
| | 1998 | 8.6 | |
| | 1999 | 9.4 | |
| | 2000 | N/ A | |

The target was \$7.7 million capitalization of listed companies on the Moldova Stock Exchange (MSE) and the actual greatly exceeded expectations at \$40.2 million represented by 17 listed companies. To be listed a company must meet one of three sets of requirements defined for each of three tiers. The least restrictive, tier-3, requires a minimum of 100 shareholders and financial statements that are audited by the company and the tax inspectorate. The companies entering the listed tiers had very high capitalization amounts. A total of 698 registered unlisted, companies traded one or more shares in 1997. The sum of the capital of both listed and non-listed companies was \$732.4 million by year's end. A major contributor to performance on this IR was higher than expected trading on the MSE.

The State Commission on Securities Markets is performing its oversight function as expected. Contractor technical assistance has been necessary to encourage the Commission to tackle the tough cases.

IR 1.4.3.2: Active and open trading of shares on the Moldova Stock Exchange

| | | | |
|--|-------------|----------------------|------------------------|
| OBJECTIVE: SO 1.4 A more competitive and market-responsive private financial sector APPROVED: June 1996 COUNTRY/ORGANIZATION: USAID/Kyiv | | | |
| RESULT NAME: IR 1.4.3.2: Active and open trading of shares on the Moldova Stock Exchange | | | |
| INDICATOR: Volume of shares traded by enterprises listed in MSE | | | |
| UNIT OF MEASURE: (A) # (thousands) (B) \$ (thousands) SOURCE: MSE INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1994(B) | -- | (A) 0 (B) 0 |
| | 1997 | (A) TBD (B) 1,100 | (A) 2,600 (B) 1,700 |

| | | | |
|---|-------------|----------------------------|---------------|
| | 1998 | (A) TBD (B) 1,300 | |
| | 1999 | (A) TBD (B) 1,500 | |
| | 2000 | (A) TBD (B) TBD | |
| INDICATOR: Number of companies trading on the Exchange increases yearly | | | |
| UNIT OF MEASURE: number SOURCE: MSE INDICATOR DESCRIPTION: COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1994(B) | -- | -0- |
| | 1997 | 95 | 715 |
| | 1998 | 104 | |
| | 1999 | 114 | |
| | 2000 | TB D | |

The target was \$1.1 million and the actual was \$1.7 million traded for listed companies. Unlisted companies reached a trading volume of \$36.5 million against a target of only \$1.6 million. Part of the reason was a large volume of swaps among investment funds in an effort to consolidate their share portfolios and thereby their control of company Board of Directors. Part of the reason is also a greater than expected number of companies trading on the Exchange. There were 715 companies compared to the target of 95. IPOs were not a major factor since there was only one with a \$2 million capitalization while the planned result was 6 IPOs and \$10 million. The one IPO represents two American companies' investment in INLAC, a dairy operation with plans to expand production. Local investment proved impossible given competition from government short-term securities offering 20%, the inexperience of investors and the immaturity of the market.

2. Expected Progress Through FY 2000 and Management Actions

In contrast to several other former Soviet countries, Moldova is still making important advances in structural reform of the banking sector. As economic growth now accelerates, the expectation is that banks' balance sheets will also keep pace, and for the most part, should expand in a healthy way, given the work which has been already done in putting in place solid banking legislation,

NBM regulations and upgrading of NBM skills. Over the next three years we can expect to see:

- C Development of a professional bank supervision department at the National Bank of Moldova, with the different functions operating in an integrated way.
- C The NBM continuing to take aggressive actions in closing insolvent banks and taking remedial actions with banks which develop liquidity problems.
- C The further development of a regulatory framework to complement the good banking law passed in 1996.
- C The further articulation of international accounting standards (IAS) at the subledger level, and decided effort by the top tier of banks to upgrade their internal controls, using the new information from IAS as the foundation.

The main risk to this rather optimistic scenario, as stated last year, is the macro risk that the economy, after a long retrenchment, does not begin to grow strongly. The bottom line is that as long as growth remains sluggish, it is difficult to build a safe and sound banking system because of the difficulty of finding sound business opportunities.

The resources afforded to technical assistance in the banking sector for FY1998-99 of \$500,000 are grossly inadequate and will result in cutting back the bare minimum currently in place. (It should be noted that because of the long delay in instituting IAS funding has been substantially cut back from almost \$3 million in 1995) At this point an additional \$500,000 is desperately needed for a total program of \$1 million. Without these resources first, the current program to upgrade back office operations at the commercial banks will be halved. Second, the plan to put a lawyer at the NBM to help upgrade the supervisory regulations will be eliminated.

Given the rapid growth of the MSE, we are increasing targets in the outlying years for corporate securities capitalization and active and open trading of shares on the MSE. The Moldova capital markets activities in FY 1998 will continue at a minimal level because the budget for this IR was cut by 50%. The cut plus the high resource investment required to achieve only one IPO have led us to drop this IR. However, the conditions contributing to the difficulty of new share issuances by enterprises and/or achieving successful private placements speak to the need for continued technical assistance. The market is immature, investors are inexperienced, and the State Commission needs further guidance to tackle the tough oversight issues. USAID technical assistance has completed the installation of a central depository and clearance and settlement system in March 1998. The continued viability and operation of this new system and its linkage to the Moldova Stock Exchange justifies the need for continued assistance in this area beyond FY 1998. The volume of trading outside the MSE evades regulation, taxes and fees and may undermine the credibility of the Moldova capital markets. Therefore, continued funding through FY 1999 is necessary to make the fledgling success sustainable, to fine tune the systems and the capital markets structure.

Strategic Objective 1.5
A more economically sustainable and environmentally sound
electric industry and energy sector

| Objective Name | Rating | Evaluation findings |
|--|------------------------------------|---------------------|
| SO 1.5 A more economically sustainable and environmentally sound electric industry and energy sector | N/A - targets established in 1997. | |

SO 1.5 is still new and still undergoing reformulation. Reflecting a shift in priorities from the gas industry to the electric industry, we have changed the name of the SO slightly. In the wake of the Russian firm GASPROM's substantial investment in MoldovaGas, support for this entity is no longer as high a priority. It has been replaced by a greater emphasis on Moldova's electric industry.

The emphasis on the electric industry is warranted because unreliable electrical power has the potential to impede Moldova's economic transition. Electric energy production and consumption are both extremely inefficient. The high cost of imported fuel contributes to the high cost of production: imported fuel debt has been a drain on hard currency reserves, leading the GOM to negotiate with GASPROM to offer a controlling interest in Moldovagas in exchange for debt relief. Use of energy by industry, the agricultural sector and residences is inefficient due to inadequate technology, limited metering, and low collections. The subsidized price structure creates disincentives to efficient energy use in the marketplace.

Moldova's energy problems are considerable:

- ? State owned electricity companies are in transition to a market-based economy and require capital, new management and technologies. The electricity sector tolerates non-payment in response to political pressure;
- ? The government assumption of arrears encourages non-payment and a lack of effort to raise and collect tariffs by the companies; and
- ? The independent regulator for electricity, gas and heat (ANRE) has been only recently established to oversee pricing policy.

The GOM recognized the depth of its problems, and encouraged by World Bank and IMF conditionality, began to address the issues in 1996. Government Resolution 478 in September, 1996 ordered development of a plan for economic restructuring of the energy sector; initiation of energy price increases; development of a new method for regulation of electricity, gas and heat prices; improvement of the social safety net including targeting households in need with the higher

energy bills; and movement to settle payment of arrears. The recently elected President began to take action on the plan in 1997. The government is on a fast track to restructure and privatize the energy sector by 1999.

Energy sector restructuring is expected to move toward demonopolization and privatization and include transfer to the private sector of the role of importation and supply of oil products, gas and electricity. Regulation of the sector is expected to move toward establishment of a transparent, predictable regulatory regime, possibly a licensing approach administered by a professional entity.

1. Performance Analysis

SO 1.5 A more economically sustainable and environmentally sound electric industry and energy sector

There are three Intermediate Results required to achieve this Strategic Objective: **IR 1.5.1: Fully functional National Electricity Regulatory Commission (ANRE); IR 1.5.2: Increased profitability of electrical energy system; and IR 1.5.3: Supportive policy environment.**

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.5 More Economically Sustainable and Environmentally Sound Electric Industry/Energy Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT: SO 1.5 A more economically sustainable and environmentally sound electric industry/energy sector | | | |
| INDICATOR: Reduction of budgetary subsidies for power and energy resources production | | | |
| UNIT OF MEASURE: \$million reduction SOURCE: MOF, GOM budget INDICATOR DESCRIPTION: budgetary line items for power sector COMMENTS: *Statutory/Actual | YEAR | PLANNED | ACTUAL |
| | 1996(B) | -- | -17.4- |
| | 1997 | N/A | N/A |
| | 1998 | 33.1 | |
| | 1999 | 37.5 | |
| | 2000 | TB D | |

The baseline is 1996 data which just became available and there are no data for 1997. Essentially the figure of a \$17.4 million reduction of subsidy in 1996 is the starting point. The targets for 1998 and 1999 are based on government statements and their fast track privatization plans. It is expected that as a result of privatization in the power and energy industry, the GOM will

substantially reduce budgetary subsidies and energy companies will start operating on a solely commercial, market-driven basis. The presence of French and German power companies in Moldova with an interest in privatization lends credibility to the targets.

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.5 More Economically Sustainable and Environmentally Sound Electric Industry/Energy Sector | | | |
| APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT: SO 1.5 A more economically sustainable and environmentally sound electric industry and energy sector | | | |
| INDICATOR: Electricity consumption per unit of economic output | | | |
| UNIT OF MEASURE: percent SOURCE: INDICATOR DESCRIPTION: above OECD level COMMENTS: <hr/> | YEAR | PLANNED | ACTUAL |
| | 1997(B) | -- | -9.4- |
| | 1998 | 7.6 | |
| | 1999 | TB D | |
| | 2000 | 4.0 | |

The baseline is 1997 information and the targets assume the same fast track for privatization. Once foreign investors get a controlling interest in major components of the energy sector, they will introduce the technology, capital and decision making necessary to bring efficiency up and costs down. In 1997 electricity consumption was 9.4% above OECD level. This is explained mainly due to absence of market signals (market-based retail tariffs) for energy and lack of efficient energy technologies. It is expected that in 1998, with the adoption of a new pricing mechanism for electricity, gas and heat, consumption above the OECD level would drop down to 7.6%, and would be less than 4% by the year 2000.

IR 1.5.1: Fully functional National Electricity Regulatory Commission (ANRE)

| | | | |
|--|-------------|----------------|---------------|
| OBJECTIVE: SO 1.5 More Economically Sustainable and Environmentally Sound Electric Industry/Energy Sector APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT: IR 1.5.1 Fully functional National Electricity Regulatory Commission (ARNE) | | | |
| INDICATOR: Market-based wholesale/retail tariffs introduced | | | |
| UNIT OF MEASURE: Yes/No SOURCE: NERC, World Bank INDICATOR DESCRIPTION: wholesale/retail tariffs = operating costs plus profit margin <hr/> COMMENTS: | YEAR | PLANNED | ACTUAL |
| | 1997(B) | -- | No |
| | 1998 | Yes | |
| | 1999 | Yes | |
| | 2000 | Yes | |

ANRE is already functioning so licences and tariffs will be set by them in order to assure that companies are operating according to market-based rules. The power generation and distribution system was restructured into four generating companies and nine distribution companies. The nine generating companies are to receive their licenses by March of 1998. They are also to be privatized by the end of 1998. Given that our partners in this effort, the World Bank and the IMF, have conditionality for loans of \$300 million tied to implementation of the government's restructuring plan, the targets of wholesale/retail tariffs set according to cost plus profit margin formulas and nine licenses issued for 1998 are reasonable.

IR 1.5.2: Increased profitability of electrical energy system

| | | | |
|---|-------------|----------------|---------------|
| OBJECTIVE: SO 1.5 More Economically Sustainable and Environmentally Sound Electric Industry/Energy Sector APPROVED: June 1996 COUNTRY/ORGANIZATION: Moldova | | | |
| RESULT: IR 1.5.2 Increased profitability of electrical energy system | | | |
| INDICATOR: Increased profit margin at two major power plants | | | |
| UNIT OF MEASURE: percent SOURCE: INDICATOR DESCRIPTION: revenues/expenses from all sources, including debt servicing COMMENTS: | YEAR | PLANNED | ACTUAL |
| | | | |
| | | | |
| | | | |

| | | | |
|--|---------|----------|-------|
| | 1997(B) | -- | -5.0- |
| | 1998 | 10. 0 | |
| | 1999 | 20. 0 | |
| | 2000 | 30. 0 | |

Increased profit margin at two major power plants will serve as the success indicator with revenues/expenses from all sources, including debt servicing. The two major thermal power plants represent about 40% of the present generating capacity of the country. Their present margin is 5% and we expect it to be slightly below the industry average by the year 2000 at 30%. The revenue increase to generate the profit margin is from the 1996 tariff baseline of \$0.0383 per KWH to a year 2000 target of \$0.0621 per KWH. The additional profit margin will come from increased efficiencies and lower production costs.

IR 1.5.3: Supportive policy environment.

No data table available

| |
|---|
| LIKELY INDICATOR: GOM meets World Bank energy sector restructuring conditions and requirements |
|---|

We have been involved with our partner, the World Bank, for two years and have provided technical assistance to achieve the present level of restructuring. The President-elect seems committed to meeting the conditionalities required and we expect the country to qualify this year.

Deleted IR 1.5.3: Increased profitability of Moldova GAS

The Results Framework, performance data and narrative under review differ from the 1997 submission since USAID is no longer providing assistance to Moldovagas stock company nor tracking its contribution to the energy sector. As indicated in the introduction, negotiations are underway between the Government of Russia and its energy company, GASPROM, to purchase a controlling interest in Moldovagas in exchange for debt relief. The negotiations have been less than transparent and the US decided to limit USAID involvement. In agreement with the GOM, USAID will focus on electric power industry restructuring, commercialization and privatization. In light of those changes the former IR **Improved profitability of Moldovagas** was omitted. Yankee Gas will continue its partnership with Moldova Gas and focus on metering, billing and collections.

2. Expected Progress Through FY 2000 and Management Actions

At this point in a baseline year we are optimistic about meeting all of the targets as planned. Meeting World Bank conditions should ensure a supportive policy environment for the privatization of the industry. A fully functioning regulatory commission (ANRE) is well underway and should meet all the requirements by this year. Those conditions are sufficient for privatization to occur and foreign investment will increase the profitability of the electrical energy system. Structural reform in other areas will be necessary to generate an economic base to pay the true cost of energy in Moldova. Working in concert with our development partners to provide the necessary technical assistance, USAID is optimistic that we can assist Moldova to develop an independent, profitable and sustainable energy sector.

Strategic Objective 2.1: Increased, better informed citizen participation in political and economic decision-making

Note: this is a new SO for Moldova, and therefore an evaluative summary will not be provided.

After implementing democracy-promotion activities under a Special Initiative for the past several years, USAID is moving to pursue a full-fledged strategic objective to bolster citizen participation in the political process, focusing primarily on the grassroots level. The decision to create a strategic objective stemmed from a recognition of the pivotal role of citizen involvement in consolidating the post-communist transition and of the need to better define the strategy for democracy-related assistance programs.

Increasing citizen involvement in economic and political life in a country that is still grappling with the legacy of the elimination of civil society during the Soviet period is a formidable challenge. As elsewhere in the former communist world, the principal task for those seeking to establish participatory democracy in Moldova is to overcome the sense of powerlessness and personal inefficacy that greatly reduces the likelihood of citizens to act individually or collectively to try to effect change. Fledgling democratic institutions and the entire reform process in general have little hope of long-term sustainability without strong citizen support, but if citizens are to participate in the political process they must understand their rights and responsibilities in a democratic system and then develop a degree of confidence in their ability to help shape policy outcomes.

The rationale for focusing primarily on the local level in Moldova is threefold. First, the nexus between citizens and government institutions is closest at the municipal level, thereby offering the best opportunity for interested citizens to attempt to influence decisions which directly affect their lives, often in demonstrable, material ways. This would seem to be particularly true in a less developed, largely agricultural society such as Moldova. Pressure from below can also stimulate municipal officials to press national decision makers to devolve more authority (e.g. control over locally-generated revenues) to local governments.

Second, boosting citizen participation at the local level is the essential complement to efforts by pro-reform Moldovans and supportive international donors to erect democratic institutions and policies at the national level. Whether through political parties or NGOs and community groups, citizen involvement in the political process at the local level can also influence the decisions of the national leadership.

Third, steering USAID's democracy-related resources towards the grassroots helps to undo the destructive hyper-centralization of the Soviet system by restoring a measure of balance between Chisinau and the regions. The absence of meaningful citizen involvement at the local level serves to perpetuate the concentration of power and resources in the capital. Predictably, the same pattern is true for NGOs; groups seeking to influence public policy and/or to ease economic

hardship for vulnerable segments of the society have tended to be clustered in Chisinau, where they have been far more likely to secure support from the donor community.

In the final analysis, empowering citizens, whether through greater access to objective information (including on individual rights) or through participation in NGOs/community groups is essential to the development of a democratic polity as well as to the success of free-market reform. There is an indissoluble link between the emergence of democratic institutions and processes on the one hand and sustainable economic development on the other. Ultimately it is citizens who must support the legal, regulatory and policy framework that both secures individual rights and is the necessary prerequisite for economic growth.

Progress in achieving this strategic objective is dependent on continued political stability and political will for political reform. Ethnic tensions have subsided considerably in the past few years, though the status of the rebellious Transdnister region remains in doubt and a small but vocal group of ethnic Romanians advocate unification with Bucharest. According to the respected annual survey of ENI countries' progress on democratic reform conducted by Freedom House, Moldova is rated as "partly free" in the area of press freedom. While there is still a shortage of quality, objective news and information, citizens do have access to a growing number of alternative viewpoints, particularly in the print media. In contrast, broadcast media, most notably television, continues to be dominated by the Government which predictably chooses to gloss over the country's serious economic and social problems. There is legitimate concern that the Government could move to crack down on uncensored reporting of news that contradicts its policies, a development that would seriously diminish the prospects for significant progress in this strategic objective.

With respect to gauging actual program impact, because this is a new strategic objective for Moldova, baselines and indicators needed to determine progress in a systematic way are only now being established (along with targets). At the same time, USAID has been funding discrete democracy-building related activities in Moldova since 1994 and therefore is able to report on progress-to-date in selected areas. With the aim of building on existing efforts, a number of these ongoing activities will continue under the new SO. Some of them are discussed below.

1. Performance Analysis

Progress toward meeting S.O. 2.1 in Moldova will be determined by polling citizens to determine how many are active members of NGOs and how many are informed about specific information such as legal rights. Polling data will also be used to determine citizen confidence in the political and legal process (I.R. 2.1.1), while examination of non-state broadcast and print news sources will be used to measure progress toward I.R. 2.1.2.

I.R. 2.1.1 Increased Citizen Confidence in Political and Legal Processes

Arguably, the principal impediment to increased citizen participation in public life in Moldova is the widespread and deep-seated skepticism about the integrity of political and legal processes and about citizens' ability to influence decisions that affect their lives. With such little faith that governing institutions seek to promote the general welfare rather than serve the interests of narrow segments of the population, citizens have no incentive to try to work through potentially effective democratic channels such as political parties and NGOs to bring about desired change. The Catch-22 is that without pressure from below, Moldova's political and legal institutions are extremely unlikely to become more responsive to the needs of ordinary citizens. USAID expects that by strengthening indigenous NGOs and community groups, Moldovan citizens will have a vehicle for making their voices heard and can begin to press municipal, regional and national decision makers while simultaneously coming together at the local level to solve community problems without relying on government.

I.R. 2.1.2 More Unbiased Information Available to Citizens

Without access to objective information concerning economic, political and social developments in Moldova and about basic rights and responsibilities in this aspiring democratic society, citizens are far less likely to participate in civic affairs or will do so without the requisite knowledge to participate effectively. While citizens do have access to a broader range of opinion, particularly in print media, there is still a dearth of unbiased reporting. Both the quality and quantity of independent reporting needs improving, while NGOs and other sources of useful (though not necessarily objective) information must develop better public education/media strategies.

Overall Progress to Date:

Moldova's transition away from communist rule toward democratic governance has been difficult but characterized by demonstrable progress in erecting democratic institutions and procedures and greater pluralism. Notwithstanding the fragile nature of these changes, they represent significant accomplishments in a country with a highly under-developed civil society (even compared to other of the former Soviet republics), little if any experience of citizen participation in political life, and which was extremely isolated from Western influence during the communist period.

With respect to the emergence of a citizenry more actively involved in the political process, progress has been slow. NGOs are forming, though with few exceptions they are not yet effective mechanisms for advancing citizen interests, a condition caused in part by their unwillingness or limited ability to engage in constituency identification and outreach. That Moldovan NGOs tend to be clustered in Chisinau is another reason the public is not familiar with these groups and does not understand the role they play in a democratic society.

A free and independent press is also in its earliest stages. Moldovan citizens can read a range of contending political perspectives in a growing number of publications but the quality of reporting

is nowhere close to Western standards of objective journalism. Self-censorship is also a problem, particularly in the area of corruption. Legitimate fear together with unfamiliarity with investigative journalism techniques diminishes the press' crucial role as "watchdog." Television, where the vast majority of Moldova gets its news, remains dominated by the State which has little interest in a well informed and politically literate citizenry.

USAID's Significant Contribution:

USAID has been instrumental in the progress that Moldova has registered thus far in strengthening democratic institutions and processes. USAID-funded activities have helped to bolster the capacity of civil society actors committed to accelerating the democratic transition. Through training and technical assistance programs, Moldovan citizens are becoming more aware of their rights and responsibilities in this fledgling democracy, and are beginning to use a variety of mechanisms to attempt to influence the political process.

Voter/Civic Education. Through the International Foundation for Electoral Systems (IFES), USAID is providing Moldovans with information on elections as well as on legal rights and on the role of citizens in a democratic society. IFES has also organized workshops and educational exchanges that are contributing to the gradual development of Moldova's civil society. In the 1996 presidential election, IFES produced an effective multi-media campaign to promote voter awareness while also training over 250 local observers whose presence at the polling stations helped to ensure a fair election. Similar plans are well under way for the March parliamentary elections.

NGO Development. IFES established the country's first NGO Training and Consulting Center to help bolster the capacity of Moldova's nascent NGO sector, including in the regions outside Chisinau. IFES was also instrumental in starting a number of working groups that bring together organizations in particular sub-sectors such as media and voter education to ensure greater cooperation and collaboration. Together, these various activities are providing NGOs with the skills to meet the needs of their members and/or advocate on their behalf with government institutions in the larger political process. In addition, the USAID-funded Eurasia Foundation provides grants to NGOs working in the non-profit sector as well as to NGOs that promote business development.

Independent Media. IFES' civic education activities have also supported independent media in Moldova through support to a mass media working group, an association of journalists, and other media-related NGOs. The IFES program helped establish the Independent Journalism Center, currently funded primarily by the Soros Foundation, and supported the country's major independent press service through training seminars and collaboration on voter education projects. Furthermore, independent media is one of the Eurasia Foundation's four target areas in Moldova. The grants program has funded training for journalists, editors, and newspaper managers, and has supported the production and dissemination of informational programs.

Citizens Rights and the Rule of Law. The American Bar Association's (ABA/CEELI)

USAID-funded multi-pronged effort to strengthen the rule of law has met considerable success by focusing on increasing citizen's awareness of their rights through dissemination of printed materials (e.g. enacted laws, legal decisions) and discussion programs on radio and (in the near future) on TV. ABA/CEELI also helps ensure that citizens' advocates are professional and well-informed by supporting an independent law center that provides continuing legal education courses, publishes legal information, and conducts public outreach and education programs. ABA/CEELI was also instrumental in the establishment of a Judicial Training Center which provides virtually the only training in new legislation and court procedures for judges and other legal professionals. Without competent legal professionals, citizens and business people are less likely to receive a fair hearing under the law. With support from the Eurasia Foundation media, legal, and advocacy NGOs disseminate legal information and provide legal and business consulting to private farmers, entrepreneurs, and citizens.

It should be noted that the USG is only one, albeit the major, donor active in the democracy sphere in Moldova. In the area of NGO development, the European Union's TACIS program is collaborating with the Soros Foundation to establish a national training and information center for NGOs. The program includes the development of a data base along with consulting, training, and business services.

2. Expected Progress Through FY 2000

Following parliamentary elections in 1998, citizen participation in the political and economic reform process should increase, as should access to objective legal and political information. Specifically, citizens should become more aware of their rights, advocate on behalf of their interests on a more frequent basis, become more confident in the legal process, and become members of NGOs. These changes will not happen quickly, however, as political barriers remain strong and people's attitudes and habits do not change quickly. Nonetheless, without continued support in this strategic objective sector, the transition to a civil society which actively supports and engages Moldova's economic reforms will undoubtedly take much longer.

SAA 4: Eurasia Foundation

Although the Eurasia Foundation has been active in Moldova since 1993, the Eurasia program reached a milestone this year, when in September, the Foundation opened a representative office in Chisinau. Eurasia's Moldova program is geared towards supporting a varied NGO sector, with particular emphasis placed on NGOs outside the capital city. Foundation seed grants reach a wide range of Moldovan organizations. These groups work in such areas as economics education, grass roots democracy building initiatives, civic education, and initiatives raising public awareness about democratic principles and citizens' rights in Moldova and in free societies.

In 1997, some 40 organizations received grants totaling just under \$500,000. These included more than \$137,000 in grants for eight initiatives supporting business development to groups such as a women's agricultural enterprise, an association of small entrepreneurs, and a daily business bulletin published in Romanian, Russian and English. Grants totaling \$88,000 also were awarded to support independent media including Radio Nova and a European exchange program for reform-minded journalists. Among grantees in the general NGO category were an NGO resource center called "Contact", the Helsinki Citizens' Assembly, an NGO that holds youth events in rural areas, and a research center to help one of the regional parliaments analyze legislation.

Eurasia Foundation grants complement USAID's other development programs in economic and political reform.

SAA 4: Humanitarian Assistance

During Moldova's transition to a market economy, the government faced with difficult choices about the use of its very limited resources, has markedly reduced funding for its social service programs. As a result, an emergency situation has ensued and many vulnerable members of society are suffering.

The widespread suffering seriously threatens popular support for economic reform in Moldova. It increases the cynicism of citizens, and decreases politicians' willingness to take strong measures essential for further economic progress. USAID's support for reducing human suffering thus closely complements our programs to support the economic transition, and to assist the government to restructure the social services it provides with public means. Activities conducted under this special initiative both alleviate immediate suffering and, by providing humanitarian assistance goods to social service NGOs, help build a sustainable network of indigenous private non-profit organizations that provide social services to vulnerable populations which the government no longer has the means to reach.

- C Since 1994, USAID has conducted 22 deliveries of humanitarian assistance to Moldova valued at approximately \$8,5 million

- C In 1997 USAID focused its efforts in helping medical institutions located in rural and poor areas of Moldova. Approximately 100 organizations were assisted with humanitarian aid shipments, total worth of which exceeded \$4,3 million. Humanitarian deliveries include clothing, footwear, pharmaceuticals, miscellaneous supplies.

SAA 4: Medical Partnership

The Hospital Partnership Program creates professional linkages between Moldovan health care providers and their U.S. counterparts. The program addresses health care issues by improving the effectiveness of health care delivery. Some of the USAID accomplishments in FY97 are indicated below.

1997 Activities:

- C Women's Wellness Center health care workers attended Conference on Childbirth Education.
- C Clinical training in continuing education for nurses.
- C Infection control workshops were held.
- C EMS Center delegates attended course in medical education program for nuclear accident preparedness.

1998 Indicator:

- C Percent of population that has access to primary health care in partnership catchment areas.
- C Percent of health care workers in partnerships that receive training in critical service areas, such as infection control.

1998 Activities:

- C There will be a training of trainers course on nuclear accident preparedness.
- C The women's wellness centers will continue and expand in scope to include primary care models treating the entire family with an emphasis on prevention. Issues to be addressed in the clinic will be an effective programmatic mix of health promotion, education, HIV/STD, family planning, anti-violence and anti-smoking campaigns.
- C The Moldova Emergency Medical Training partnership will be continue to train medical personnel in handling of acute emergency care patients until completion of activities. Infection control partnerships will expand to incorporate other areas such as family planning and primary care clinics into their training curriculum.

Anticipated Results/Outcomes:

- C Development of health partnerships meeting the demonstrated health needs of the community.
- C Increase in technical expertise and cross training with regard to preventive health measures.
- C Shift the delivery of health care from tertiary speciality hospitals to primary health care facilities to decrease the economic burden of health finance on society and to increase the quality and quantity of life of the Ukrainian population.

SAA 4: Women's Reproductive Health Initiative

WRHI is designed to respond to the high maternal /infant mortality and morbidity in Moldova. Better reproductive health care and greater access to contraceptive alternatives to abortion will reduce the human and financial cost associated with abortion complications. Established in 1995, the WRHI develops model family planning and maternity care services, creates sustainable training in up-to-date reproductive health care technologies and maternity practices, develops public awareness materials, and increases availability of contraceptives to women.

Some of the USAID accomplishments to date:

- C Sexual education program in collaboration with the Ministry of Education was implemented through the training courses
- C Moldova Family Planning Association Youth Center was opened September 1997. A teen sexual responsibility night was organized at the Mals disco with 1,500 teens to launch the Center
- C At the request of the Ministry of Health and the Moldova Family Planning Association an evaluation study of 4 of 25 six-day, multi-method family planning courses is planned to be conducted to assess changes in providers' family planning knowledge before and after family planning courses, including at follow-up.
- C A Family Planning training program is planned for 1998 together with the Refresher Training Institute for Midwives

A 5-day contraceptive technology update for midwives was held in October 1997.

RESOURCE REQUEST MOLDOVA

Budget Breakdown By Project -- FY 1998-2000
(Thousands of Dollars)

| Project No. | Strategic Objective | PROJECT COMPONENTS | FY 98 Actual | FY 99 Request | FY 00 Request |
|-----------------|---------------------|---|---------------|---------------|---------------|
| 110-0001 | | <u>Special Initiatives</u> | | | |
| | 4.1 | 1.1.0 EMERGENCY HUMANITARIAN ASSISTANCE | 200 | 500 | 500 |
| | | 1.4 Pharmaceuticals, Vaccines Supply | | | |
| | | 1.8 Humanitarian Transport (632a) | | | |
| | 4.2 | 1.2.0 TECH SUPPORT / PROG DEV. SUPPORT | | | |
| | | Sub-Total | 200 | 500 | 500 |
| 110-0002 | | <u>Energy</u> | | | |
| | 1.5 | 2.1 Pricing and National Policy | | | |
| | 1.5 | 2.2 District Heating & Energy Efficiency | | 0 | |
| | | 2.2 Energy Efficiency (OER) | | | |
| | | 2.2 Energy Efficiency (ODST) | | | |
| | 1.5 | 2.3 Energy Subsector Restructuring | 1,500 | 2,500 | 2,700 |
| | | 3.2 Privatization and Restructuring | | | |
| | 1.5 | 2.6 Program Design and Management | 250 | 300 | 300 |
| | | Sub-Total | 1,750 | 2,800 | 3,000 |
| 110-0003 | | <u>Environment</u> | | | |
| | | 3.1 Environmental Policy & Institution Building | | | |
| | | 1.3 Credit Facility Environmental Activity | | | |
| | | 1.4 Tech Coop for Environmental Improvement | | | |
| | | 3.2 Health Risks | | | |
| | | 3.3 Public Awareness & Environmental Accountability | | | |
| | | 3.5 Natural Resource Management & Biodiversity | | | |
| | | 3.6 Program Design and Management | | | |
| | | Sub-Total | 0 | 0 | 0 |
| 110-0004 | | <u>Health Care</u> | | | |
| | 4.1 | 4.1 Medical Partnerships | 600 | 2,000 | 2,000 |
| | | 4.2 Vaccines & Pharmaceutical Security | | | |
| | | 4.3 Health Monitoring | | | |
| | | 4.4 Finance and Service Delivery Alternatives | | | |
| | 4.1 | 4.5 Women's Health/Family Planning | | 300 | 500 |
| | | 4.6 Program Design and Management: | | | |
| | | Sub-Total | 600 | 2,300 | 2,500 |
| 110-0005 | | <u>Private Sector</u> | | | |
| | 1.1 | 5.1. Privatization | | | |
| | 1.1 | 5.2. Land Markets | 10,000 | 7,350 | 3,000 |
| | | | | | |
| | 1.4 | 5.3 Capital Markets | 750 | 0 | 0 |
| | 1.1 | 5.4 Public Education for Free Market | | | |
| | 1.3 | 5.5 Post-Privatization Assistance to Enterprises | | | |
| | 1.3 | 5.6 Policy, Legal and Regulatory Reform | | 1,100 | 1,000 |
| | | | | | |
| | 1.3 | 5.7 Small and New Business | 300 | 800 | 1,500 |
| | | | | | |
| | 1.3 | 5.9 Program Design and Management | 300 | 300 | 300 |
| | | Sub-Total | 11,350 | 9,550 | 5,800 |

| Project No. | Strategic Objective | PROJECT COMPONENTS | FY 98 Actual | FY 99 Request | FY 00 Request |
|-----------------|---------------------|---|---------------|---------------|---------------|
| 110-0006 | | <u>Food Systems</u> | | | |
| | 1.3 | 6.1 Storage System | | | |
| | 1.3 | 6.2 Marketing Efficiency | | | |
| | 1.3 | 6.3 Agribusiness Partnerships | 1,750 | 1,900 | 2,400 |
| | 1.3 | 6.5 Program Design and Management | | 300 | 300 |
| | | Sub-Total | 1,750 | 2,200 | 2,700 |
| 110-0007 | | <u>Democratic Reform</u> | | | |
| | 2.1 | 7.1 Political Process | 500 | | |
| | 2.1 | 7.2 Rule of Law | 500 | 500 | 500 |
| | | 2.1 Rule of Law | | | |
| | 2.1 | 7.3 Public Administration / Local Government | | 500 | 1,500 |
| | 2.1 | 7.4.1 Civil Society (PVO/NGO) | | 800 | 800 |
| | 2.1 | 7.4.2 NGO/PVO Network | | | |
| | 2.1 | 7.5 Independent Media | | 650 | 2,000 |
| | 2.1 | 7.6 Program Design and Management | | | |
| | | Sub-Total | 1,000 | 2,450 | 4,800 |
| 110-0008 | | <u>Housing</u> | | | |
| | 1.1 | 8.1 Market-based Housing Sector | 0 | | |
| | 1.1 | 8.3 Program Design and Management | | | |
| | | Sub-Total | 0 | 0 | 0 |
| 110-0009 | | <u>Economic Restructuring</u> | | | |
| | 1.2 | 9.1 Fiscal Reform: | | | |
| | | 1.1 Fiscal Activities | 3,000 | 2,000 | 2,000 |
| | | 1.2 Treasury | | | |
| | 1.4 | 9.2 Financial Sector Reform: | 500 | 700 | 700 |
| | | 2.1 Financial Sector TA/Monetary | | | |
| | | 2.2 Financial Sector Training | | | |
| | | 2.3 Financial/Monetary System (FSVC) | | | |
| | | 2.4 Ukraine Trade Credit (Ex-Im) | | | |
| | | 9.3 Market Environment | | 200 | 200 |
| | 1.3 | 3.1 Market Environment (SO 1.3) | | | |
| | 1.4 | 3.1 Market Environment (SO 1.4) | | | |
| | | 3.1 Market Environment - Social Sector Restr. | | | |
| | | 9.4 Program Design and Management | | 300 | 300 |
| | 1.2 | 9.4 Program Design and Management (SO 1.2) | | | |
| | 1.4 | 9.4 Program Design and Management (SO 1.4) | 250 | | |
| | 1.3 | 9.4 Program Design and Management (SO 1.3) | | | |
| | | 9.4 Program Design and Management (SO 3.2) | | | |
| | | Sub-Total | 3,750 | 3,200 | 3,200 |
| 110-0010 | | <u>Eurasia Foundation</u> | | | |
| | 4.2 | 10.0 Eurasia Foundation | 500 | 2,000 | 2,000 |
| | 1.1 | 10 Eurasia- Housing Support | | | |
| | | Sub-Total | 500 | 2,000 | 2,000 |
| 110-0011 | 1.3 | 11.1 W/NIS Enterprise Fund | | 5,000 | 5,000 |
| | | Sub-Total | 0 | 5,000 | 5,000 |
| 110-0012 | | <u>Exchanges & Training</u> | | | |
| | 4.2 | 12.1 Participant Training | | | |
| | | Sub-Total | 0 | 0 | 0 |
| | | All Project Total | 20,900 | 30,000 | 29,500 |
| | | Partnership Fund | | | |

| Project No. | Strategic Objective | PROJECT COMPONENTS | FY 98 Actual | FY 99 Request | FY 00 Request |
|-------------|---------------------|---|---------------|---------------|---------------|
| | | 632(A) Transfers | | | |
| | 4.1 | Nuclear Safety(NRC & studies) | | | |
| | 4.1 | Nuclear Safety (EBRD Part) | | | |
| | 4.1 | Humanitarian Transport | 500 | 500 | 500 |
| | 4.1 | Law Enforcement | 500 | | |
| | 4.1 | Direct Trade and Investment - Commerce | | | |
| | 4.1 | Training and Exchanges - USIA | 2,200 | 3,500 | 3,500 |
| | 4.1 | Volunteers - Peace Corps | | | |
| | 4.1 | Nuclear Safety - DOE | | | |
| | | Science Centers | | | |
| | 4.1 | GATT - Commerce | | | |
| | 4.1 | Warsaw Initiative : State | | | |
| | | Parking Fine Withholding | | | |
| | | CRS | | | |
| | | Justice | | 1,000 | 1,000 |
| | | USDA Cochran Fellow | 100 | | |
| | | Envir. Activities - US EPA | | | |
| | | Treasury | 500 | 500 | 500 |
| | | Defense Enterprise Fund | | | |
| | | Chernobyl - DOE | | | |
| | | Rule of Law - CRS | | | |
| | | Sub-Total | 3,800 | 5,500 | 5,500 |
| | | | | | |
| | | | | | |
| | | Transfers to Other USAID Bureaus | | | |
| | | Health Surveillance - CDC | | | |
| | | Vaccine Monitoring TA | | | |
| | | Farmer to Farmer - BHR | | | |
| | 4.1 | WID - Winrock | | | |
| | | Winter Wheat Research | | | |
| | | Chornobyl- Industrial Efficiency, Lviv | | | |
| | | Pesticides - Global Bureau | | | |
| | | Training (TESS)- Global Bureau | | | |
| | | Sub-Total | | | |
| | | COUNTRY TOTAL | 24,700 | 35,500 | 35,000 |

Moldova - FY 1998 - FY 2000 Budget Summary Sheet
STRATEGIC ASSISTANCE AREAS
(Thousands of Dollars)

| | FY98 Budget | FY99 Request | FY00 Request |
|---|------------------------|-------------------------|-------------------------|
| STRATEGIC ASSISTANCE AREA 1: | | | |
| Economic Restructuring | 18,600 | 22,750 | 19,700 |
| STRATEGIC ASSISTANCE AREA 2: | | | |
| Democratic Transition | 1,000 | 2,450 | 4,800 |
| ASSISTANCE AREA 4: | | | |
| Special Initiatives/Crosscutting Programs | 1,300 | 4,800 | 5,000 |
| Performance/Management Fund | | | |
| SAA, GRAND TOTAL | 20,900 | 30,000 | 29,500 |
| Transfers | 3,800 | 5,500 | 5,500 |
| Grand Total | 24,700 | 35,500 | 35,000 |

STRATEGIC ASSISTANCE AREA 1: ECONOMIC RESTRUCTURING

Foster the emergence of a competitive market oriented economy in which the majority of economic resources is privately owned and managed.

| STRATEGIC OBJECTIVE | FY98 Budget | FY99 Request | FY00 Request |
|---------------------|----------------|-----------------|-----------------|
|---------------------|----------------|-----------------|-----------------|

| | | | |
|---|---------------|--------------|--------------|
| 1.1 Increased Transfer of State-owned Assets to the Private Sector | | | |
| 5.1 Privatization | 0 | 0 | 0 |
| 5.2 Land Markets | 10,000 | 7,350 | 3,000 |
| 5.4 Public Education for Free Market | | | |
| 8.1 Market-based Housing Sector | | | |
| 8.3 Program Design and Management | | | |
| 10 Eurasia - Housing Support | 0 | 0 | 0 |
| Sub-total, 1.1 | 10,000 | 7,350 | 3,000 |

| | | | |
|---|--------------|--------------|--------------|
| 1.2 Increased Soundness of Fiscal Policies/Fiscal Management Practices | | | |
| 9.1 Fiscal Reform | 3,000 | 2,000 | 2,000 |
| 9.4 Program Design and Management | 0 | 300 | 300 |
| Sub-total, 1.2 | 3,000 | 2,300 | 2,300 |

| | | | |
|--|--------------|--------------|---------------|
| 1.3 Accelerated Development and Growth of Private Enterprises | | | |
| 2.1 Pricing & National Policy | | | |
| 5.5 Post-Privatization Assistance to Enterprises | 0 | 0 | 0 |
| 5.6 Policy, Legal and Regulatory Reform | 0 | 1,100 | 1,000 |
| 5.7 Small & New Business | 300 | 800 | 1,500 |
| 5.9 Program Design and Management | 300 | 300 | 300 |
| 6.1 Storage System | 0 | 0 | 0 |
| 6.2 Marketing Efficiency | 0 | 0 | 0 |
| 6.3 Agribusiness Partnerships | 1,750 | 1,900 | 2,400 |
| 6.5 Program Design & Management | 0 | 300 | 300 |
| 9.3.1 Market Environment | 0 | 200 | 200 |
| 9.4 Program Design and Management | 0 | 0 | 0 |
| 11.1 Enterprise Funds | 0 | 5,000 | 5,000 |
| Sub-total, 1.3 | 2,350 | 9,600 | 10,700 |

| | | | |
|--|--------------|------------|------------|
| 1.4 A More Competitive and Market-responsive Private Financial Sector | | | |
| 5.3 Capital Markets | 750 | 0 | 0 |
| 9.2 Financial Sector Reform | 500 | 700 | 700 |
| 9.3.1 Market Environment | 0 | 0 | 0 |
| 9.4 Program Design and Management | 250 | 0 | 0 |
| Sub-total, 1.4 | 1,500 | 700 | 700 |

| | | | |
|---|--------------|--------------|--------------|
| 1.5 Economically Sound/Environmentally Sustainable Energy System | | | |
| 2.2 District Heating & Energy Efficiency | | | |
| 2.3 Energy Subsector Restructuring | 1,500 | 2,500 | 2,700 |
| 2.6 Program Design and Management | 250 | 300 | 300 |
| Global Transfer \$1 mn: Chernobyl - Ind. Eff. | | | |
| Sub-total, 1.5 | 1,750 | 2,800 | 3,000 |

| | | | |
|-------------------------------|---------------|---------------|---------------|
| STRATEGIC AREA 1 TOTAL | 18,600 | 22,750 | 19,700 |
|-------------------------------|---------------|---------------|---------------|

STRATEGIC ASSISTANCE AREA 2: DEMOCRATIC TRANSITION

Support the transition to transparent and accountable governance
and the empowerment of citizens through democratic political processes.

| STRATEGIC OBJECTIVE | FY98 Budget | FY99 Request | FY00 Request |
|--|----------------|-----------------|-----------------|
| 2.1 Increased Citizens' Participation in Political/Economic Decision-making | | | |
| 7.1 Political Process | 500 | 0 | 0 |
| 7.4.1 Civil Society | 0 | 800 | 800 |
| 7.4.2 PVO/NGO Network | 0 | 0 | 0 |
| 7.5 Independent Media | 0 | 650 | 2,000 |
| 7.2 Rule of Law | 500 | 500 | 500 |
| 7.6 Program Design & Management | 0 | 0 | 0 |
| 7.3 Public Administration/ Local Government | 0 | 500 | 1,500 |
| STRATEGIC AREA 2 TOTAL | 1,000 | 2,450 | 4,800 |

STRATEGIC ASSISTANCE AREA 4: CROSS-CUTTING PROGRAMS/SPECIAL INITIATIVES

| STRATEGIC OBJECTIVE | FY98 Budget | FY99 Request | FY00 Request |
|---------------------|----------------|-----------------|-----------------|
|---------------------|----------------|-----------------|-----------------|

| | | | |
|--|--------------|--------------|--------------|
| 4.1 Special Initiatives | | | |
| 1.1 Emergency Humanitarian Assistance | 200 | 500 | 500 |
| 2.4 Nuclear Power Safety (EBRD) | | | |
| 4.1 Medical Partnerships | 600 | 2,000 | 2,000 |
| 4.5 Women's Health / Family Planning | 0 | 300 | 500 |
| USAID Sub-Total | 800 | 2,800 | 3,000 |
| Humanitarian Transport | 500 | 500 | 500 |
| 632 Transfer: Peace Corps | 0 | 0 | 0 |
| 632 Transfer: Commerce | 0 | 0 | 0 |
| 632 Transfer: USIA Training & Exchanges | 2,200 | 3,500 | 3,500 |
| 632 Transfer: Law Enforcement | 500 | 0 | 0 |
| Defense Enterprise Fund | 0 | 0 | 0 |
| 632 Transfer: Nuclear Safety (DOE) | 0 | 0 | 0 |
| Science Centers | 0 | 0 | 0 |
| GATT - Commerce | 0 | 0 | 0 |
| 632 Transfer: Nuclear Safety (NRC & studies) | 0 | 0 | 0 |
| Justice | 0 | 1,000 | 1,000 |
| USDA - Cochran Fellow | 100 | 0 | 0 |
| Treasury | 500 | 500 | 500 |
| Parking Fines | 0 | 0 | 0 |
| Sub-total, 4.1 | 4,600 | 8,300 | 8,500 |

| | | | |
|----------------------------------|------------|--------------|--------------|
| 4.2 Crosscutting Programs | | | |
| 12.1 Participant Training | 0 | 0 | 0 |
| 10.0 Eurasia Foundation | 500 | 2,000 | 2,000 |
| 1.2.2 Tech. Support & PD&S | 0 | 0 | 0 |
| Sub-total, 4.2 | 500 | 2,000 | 2,000 |

| | | | |
|---|--------------|--------------|--------------|
| ASSISTANCE AREA - 4: USAID TOTAL | 1,300 | 4,800 | 5,000 |
|---|--------------|--------------|--------------|

**USAID Budget
FY 99 - Moldova
Partnerships for Freedom**

| Project | Total | S/NIS Directives | USAID Discretionary | Project Training | Trade Impediments | IFI Support | Foundation Endowments | Health Partnerships | Health Directives | Partnerships | Small/Micro Credit |
|--------------|-------------------|---------------------|------------------------|---------------------|----------------------|----------------|--------------------------|------------------------|----------------------|--------------|-----------------------|
| 1 | 500,000 | | 500,000 | | | | | | | | |
| 2 | 2,800,000 | | 2,800,000 | | | | | | | | |
| 3 | 0 | | | | | | | | | | |
| 4 | 2,300,000 | | 300,000 | | | | | 2,000,000 | [1,000,000] | | |
| 5 | 9,550,000 | | 5,950,000 | 1,000,000 | | | | | | | 2,600,000 |
| 6 | 2,200,000 | | 700,000 | | | | | | | | 1,500,000 |
| 7 | 2,450,000 | | 2,450,000 | | | | | | | | |
| 8 | 0 | | | | | | | | | | |
| 9 | 3,200,000 | | 3,200,000 | | | | | | | | |
| 10 | 2,000,000 | 2,000,000 | | | | | | | | | |
| 11 | 5,000,000 | 5,000,000 | | | | | | | | | |
| 12 | 0 | | | | | | | | | | |
| Total | 30,000,000 | 7,000,000 | 15,900,000 | 1,000,000 | 0 | 0 | 0 | 2,000,000 | | 0 | 4,100,000 |
| S.O. 1.1 | 7,350,000 | | 5,950,000 | 400,000 | | | | | | | 1,000,000 |
| S.O. 1.2 | 2,300,000 | | 2,300,000 | | | | | | | | |
| S.O. 1.3 | 9,600,000 | 5,000,000 | 900,000 | 600,000 | | | | | | | 3,100,000 |
| S.O. 1.4 | 700,000 | | 700,000 | | | | | | | | |
| S.O. 1.5 | 2,800,000 | | 2,800,000 | | | | | | | | |
| S.O. 2.1 | 2,450,000 | | 2,450,000 | | | | | | | | |
| S.O. 2.2 | 0 | | | | | | | | | | |
| S.O. 2.3 | 0 | | | | | | | | | | |
| S.O. 3.1 | 0 | | | | | | | | | | |
| S.O. 3.2 | 0 | | | | | | | | | | |
| S.O. 3.3 | 0 | | | | | | | | | | |
| S.O. 4.1 | 2,800,000 | | 800,000 | | | | | 2,000,000 | [1,000,000] | | |
| S.O. 4.2 | 2,000,000 | 2,000,000 | | | | | | | | | |
| | 30,000,000 | 7,000,000 | 15,900,000 | 1,000,000 | 0 | 0 | 0 | 2,000,000 | | 0 | 4,100,000 |

**USAID Budget
FY 00 - Moldova
Partnerships for Freedom**

| Project | Total | S/NIS Directives | USAID Discretionary | Project Training | Trade Impediments | IFI Support | Foundation Endowments | Health Partnerships | Health Directives | Partnerships | Small/Micro Credit |
|--------------|-------------------|------------------|---------------------|------------------|-------------------|-------------|-----------------------|---------------------|-------------------|--------------|--------------------|
| 1 | 500,000 | | 500,000 | | | | | | | | |
| 2 | 3,000,000 | | 3,000,000 | | | | | | | | |
| 3 | 0 | | | | | | | | | | |
| 4 | 2,500,000 | | 500,000 | | | | | 2,000,000 | [1,000,000] | | |
| 5 | 5,800,000 | | 3,300,000 | | | | | | | | 2,500,000 |
| 6 | 2,700,000 | | 1,200,000 | | | | | | | | 1,500,000 |
| 7 | 4,800,000 | | 4,800,000 | | | | | | | | |
| 8 | 0 | | | | | | | | | | |
| 9 | 3,200,000 | | 3,200,000 | | | | | | | | |
| 10 | 2,000,000 | 2,000,000 | | | | | | | | | |
| 11 | 5,000,000 | 5,000,000 | | | | | | | | | |
| 12 | 0 | | | | | | | | | | |
| Total | 29,500,000 | 7,000,000 | 16,500,000 | 0 | 0 | 0 | 0 | 2,000,000 | | | |
| S.O. 1.1 | 3,000,000 | | 2,000,000 | | | | | | | | 1,000,000 |
| S.O. 1.2 | 2,300,000 | | 2,300,000 | | | | | | | | |
| S.O. 1.3 | 10,700,000 | 5,000,000 | 2,700,000 | | | | | | | | 3,000,000 |
| S.O. 1.4 | 700,000 | | 700,000 | | | | | | | | |
| S.O. 1.5 | 3,000,000 | | 3,000,000 | | | | | | | | |
| S.O. 2.1 | 4,800,000 | | 4,800,000 | | | | | | | | |
| S.O. 2.2 | 0 | | | | | | | | | | |
| S.O. 2.3 | 0 | | | | | | | | | | |
| S.O. 3.1 | 0 | | | | | | | | | | |
| S.O. 3.2 | 0 | | | | | | | | | | |
| S.O. 3.3 | 0 | | | | | | | | | | |
| S.O. 4.1 | 3,000,000 | | 1,000,000 | | | | | 2,000,000 | [1,000,000] | | |
| S.O. 4.2 | 2,000,000 | 2,000,000 | | | | | | | | | |
| | | | | | | | | | | | |
| | 29,500,000 | 7,000,000 | 16,500,000 | 0 | 0 | 0 | 0 | 2,000,000 | | | |

**USAID FY 1998 Budget Request by Program/Country
(\$000)**

12-Nov-98
09:59 AM

Country/Program: MOLDOVA

| S.O. # , Title | | | Est. SO Pipeline at end of FY 97 | FY 1998 Total Request | Basic Education for Chldrn | Other Economic Growth | FY 1998 Request | | | | | | Est Expend. FY 98 | Est Total cost life of SO | Mortgage at end of 1998 |
|---|----------------------|--|----------------------------------|-----------------------|----------------------------|-----------------------|-----------------|----------------|----------|--------------|----------|----------|-------------------|---------------------------|-------------------------|
| Approp Acct | Bilateral/ Field Spt | | | | | | Population | Child Survival | HIV/AIDS | Other Health | Environ | D/G | | | |
| SO 1.1 Increased Transfer of State-owned Assets to the Private Sector | | | | | | | | | | | | | | | |
| NI | Bilateral | | 4,375 | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,875 | 37,000 | 17,779 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 4,375 | 10,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,875 | 37,000 | 17,779 |
| SO 1.2 Increased Soundness of Fiscal Policies/ Fiscal Management Practices | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,624 | 3,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,674 | 19,000 | 11,244 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 1,624 | 3,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,674 | 19,000 | 11,244 |
| SO 1.3 Accelerated Development and Growth of Private Enterprises | | | | | | | | | | | | | | | |
| NI | Bilateral | | 6,922 | 2,350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,452 | 55,000 | 43,900 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 6,922 | 2,350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,452 | 55,000 | 43,900 |
| SO 1.4 A More Competitive and Market- responsive Private Financial Sector | | | | | | | | | | | | | | | |
| NI | Bilateral | | 4,200 | 1,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,638 | 14,500 | 3,107 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 4,200 | 1,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,638 | 14,500 | 3,107 |
| SO 1.5 Economically Sound/ Environmentally Sustainable Energy System | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,737 | 1,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,262 | 8,000 | 5,550 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 1,737 | 1,750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,262 | 8,000 | 5,550 |
| SO 2.1 Increased Citizens' Participation in Political/ Economic Decision making | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,550 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,075 | 14,000 | 9,950 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 1,550 | 1,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,075 | 14,000 | 9,950 |
| SO 4.1 Special Initiatives / Cross-cutting Programs | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,505 | 1,300 | | | | | | | | | 1,960 | 22,000 | 17,060 |
| | Field Spt | | | | | | | | | | | | | | |
| Total | | | 1,505 | 1,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,960 | 22,000 | 17,060 |
| Total Bilateral | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total Field Support | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| TOTAL PROGRAM | | | 21,913 | 21,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,936 | 169,500 | 108,590 |

**USAID FY 1999 Budget Request by Program/Country
(\$000)**

12-Nov-98
09:59 AM

Country/Program: MOLDOVA

| S.O. # , Title | | | Est. SO Pipeline at end of FY 98 | FY 1999 Total Request | Basic Education for Chldrn | Other Economic Growth | FY 1999 Request | | | | | | Est Expend. FY 99 | Est Total cost life of SO | Mortgage at end of 1999 |
|---|----------------------|--|----------------------------------|-----------------------|----------------------------|-----------------------|-----------------|----------------|----------|--------------|----------|----------|-------------------|---------------------------|-------------------------|
| Approp Acct | Bilateral/ Field Spt | | | | | | Population | Child Survival | HIV/AIDS | Other Health | Environ | D/G | | | |
| SO 1.1 Increased Transfer of State-owned Assets to the Private Sector | | | | | | | | | | | | | | | |
| NI | Bilateral | | 6,500 | 7,350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,440 | 37,000 | 10,429 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 6,500 | 7,350 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,440 | 37,000 | 10,429 |
| SO 1.2 Increased Soundness of Fiscal Policies/ Fiscal Management Practices | | | | | | | | | | | | | | | |
| NI | Bilateral | | 2,200 | 2,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,750 | 19,000 | 8,944 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 2,200 | 2,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,750 | 19,000 | 8,944 |
| SO 1.3 Accelerated Development and Growth of Private Enterprises | | | | | | | | | | | | | | | |
| NI | Bilateral | | 4,820 | 9,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,014 | 55,000 | 34,300 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 4,820 | 9,600 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,014 | 55,000 | 34,300 |
| SO 1.4 A More Competitive and Market- responsive Private Financial Sector | | | | | | | | | | | | | | | |
| NI | Bilateral | | 813 | 700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,093 | 14,500 | 2,407 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 813 | 700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,093 | 14,500 | 2,407 |
| SO 1.5 Economically Sound/ Environmentally Sustainable Energy System | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,225 | 2,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,975 | 8,000 | 2,750 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 1,225 | 2,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,975 | 8,000 | 2,750 |
| SO 2.1 Increased Citizens' Participation in Political/ Economic Decision making | | | | | | | | | | | | | | | |
| NI | Bilateral | | 975 | 2,450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,955 | 14,000 | 7,500 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 975 | 2,450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,955 | 14,000 | 7,500 |
| SO 4.1 Special Initiatives / Cross-cutting Programs | | | | | | | | | | | | | | | |
| NI | Bilateral | | 845 | 4,800 | | | | | | | | | 2,765 | 22,000 | 12,260 |
| | Field Spt | | | | | | | | | | | | | | |
| Total | | | 845 | 4,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,765 | 22,000 | 12,260 |
| Total Bilateral | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total Field Support | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| TOTAL PROGRAM | | | 17,377 | 30,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 26,991 | 169,500 | 78,590 |

**USAID FY 2000 Budget Request by Program/Country
(\$000)**

12-Nov-98
09:59 AM

Country/Program: MOLDOVA

| S.O. # , Title | | | Est. SO Pipeline at end of FY 99 | FY 2000 Total Request | Basic Education for Chldrn | Other Economic Growth | FY 2000 Request | | | | | | Est Expend. FY 00 | Est Total cost life of SO | Mortgage at end of 2000 |
|---|----------------------|--|----------------------------------|-----------------------|----------------------------|-----------------------|-----------------|----------------|----------|--------------|----------|----------|-------------------|---------------------------|-------------------------|
| Approp Acct | Bilateral/ Field Spt | | | | | | Population | Child Survival | HIV/AIDS | Other Health | Environ | D/G | | | |
| SO 1.1 Increased Transfer of State-owned Assets to the Private Sector | | | | | | | | | | | | | | | |
| NI | Bilateral | | 4,410 | 3,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,610 | 37,000 | 7,429 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 4,410 | 3,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,610 | 37,000 | 7,429 |
| SO 1.2 Increased Soundness of Fiscal Policies/ Fiscal Management Practices | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,750 | 2,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 19,000 | 6,644 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 1,750 | 2,300 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 19,000 | 6,644 |
| SO 1.3 Accelerated Development and Growth of Private Enterprises | | | | | | | | | | | | | | | |
| NI | Bilateral | | 7,406 | 10,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,363 | 55,000 | 23,600 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 7,406 | 10,700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,363 | 55,000 | 23,600 |
| SO 1.4 A More Competitive and Market- responsive Private Financial Sector | | | | | | | | | | | | | | | |
| NI | Bilateral | | 420 | 700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 700 | 14,500 | 1,707 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 420 | 700 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 700 | 14,500 | 1,707 |
| SO 1.5 Economically Sound/ Environmentally Sustainable Energy System | | | | | | | | | | | | | | | |
| NI | Bilateral | | 2,050 | 3,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,580 | 8,000 | (250) |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 2,050 | 3,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,580 | 8,000 | (250) |
| SO 2.1 Increased Citizens' Participation in Political/ Economic Decision making | | | | | | | | | | | | | | | |
| NI | Bilateral | | 1,470 | 4,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,390 | 14,000 | 2,700 |
| | Field Spt | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total | | | 1,470 | 4,800 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,390 | 14,000 | 2,700 |
| SO 4.1 Special Initiatives / Cross-cutting Programs | | | | | | | | | | | | | | | |
| NI | Bilateral | | 2,880 | 5,000 | | | | | | | | | 4,880 | 22,000 | 7,260 |
| | Field Spt | | | | | | | | | | | | | | |
| Total | | | 2,880 | 5,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,880 | 22,000 | 7,260 |
| Total Bilateral | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| Total Field Support | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | |
| TOTAL PROGRAM | | | 20,386 | 29,500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 28,523 | 169,500 | 49,090 |

Organization: USAID MOLDOVA

[illegible]

Totals by Staffing Catagory - FY 1997 Ceiling

| | | | | | | | | Support Offices | | | | | | | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|-----------------------------------|------------------------|-----------------|-----------------|-----|----------------|-------|---------|-------|------------------------------|----------------------|
| Staff | Strategic Objective 1: (title) | Strategic Objective 2: (title) | Strategic Objective 3: (title) | Special Objective 1: (title) | Special Objective 2: (title) | Special Objective3: (title) | Subtotal S.O. Staff | Mission Mgt. | Con- troller | EXO | Con- tracts | Legal | Program | Other | Subtotal Support Staff | Grand Total Staff |
| USDH | 0 | 0 | 0 | | 0 | 0 | 0 | 1 | | | 0 | 0 | | 0 | 1 | 1 |
| USPSC (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| USPSC (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total USPSCs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Direct Hire (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Non Direct Hire (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| FSN/TCN Non Direct Hire (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Non Direct Hire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total FSN/TCN (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total FSN/TCN (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total Other (RSSA, PASA, IPA) (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other (RSSA, PASA, IPA) (Program Funded) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total OE/TF Staff (includes USDH) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| Total Program Funded Staff | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total All Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Organization: USAID MOLDOVA

[illegible]

Totals by Staffing Catagory - FY 1998 Ceiling

| | | | | | | | | Support Offices | | | | | | | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|-----------------------------------|------------------------|-----------------|-----------------|-----|----------------|-------|---------|-------|------------------------------|----------------------|
| Staff | Strategic Objective 1: (title) | Strategic Objective 2: (title) | Strategic Objective 3: (title) | Special Objective 1: (title) | Special Objective 2: (title) | Special Objective3: (title) | Subtotal S.O. Staff | Mission Mgt. | Con- troller | EXO | Con- tracts | Legal | Program | Other | Subtotal Support Staff | Grand Total Staff |
| USDH | 0 | 0 | 0 | | 0 | 0 | 0 | 1 | | | | 0 | | | 1 | 1 |
| USPSC (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| USPSC (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total USPSCs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Direct Hire (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Non Direct Hire (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| FSN/TCN Non Direct Hire (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Total FSN/TCN Non Direct Hire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total FSN/TCN (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total FSN/TCN (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| Total FSN/TCN Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 |
| Total Other (RSSA, PASA, IPA) (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other (RSSA, PASA, IPA) (Program Funded) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total OE/TF Staff (includes USDH) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| Total Program Funded Staff | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total All Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

Organization: _____

[illegible]

Totals by Staffing Catagory - FY 1999 Request

| | | | | | | | | Support Offices | | | | | | | | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|------------------------------------|------------------------------------|-----------------------------------|------------------------|-----------------|-----------------|-----|----------------|-------|---------|-------|------------------------------|----------------------|
| Staff | Strategic Objective 1: (title) | Strategic Objective 2: (title) | Strategic Objective 3: (title) | Special Objective 1: (title) | Special Objective 2: (title) | Special Objective3: (title) | Subtotal S.O. Staff | Mission Mgt. | Con- troller | EXO | Con- tracts | Legal | Program | Other | Subtotal Support Staff | Grand Total Staff |
| USDH | 0 | 0 | 0 | | 0 | 0 | 0 | | | | 0 | 0 | | 0 | 0 | 0 |
| USPSC (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| USPSC (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total USPSCs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Direct Hire (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Non Direct Hire (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FSN/TCN Non Direct Hire (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Non Direct Hire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN (Program Funded) | | | | | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other (RSSA, PASA, IPA) (OE/TF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other (RSSA, PASA, IPA) (Program Funded) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total FSN/TCN Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total OE/TF Staff (includes USDH) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Program Funded Staff | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total All Staff | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Notes:

* TAACs and Fellows count against G ceilings only and thus are "below the line" for field operating units. Service in the capacity of TAACs should be reported as TAACs regardless of the hiring mechanism. They should not be reported under PSCs, PASAs, RSSAs, etc.

The data in the table reflects positions, NOT, on-board strength or FTEs. You can devide the positions of people working on more than one SO, but do not subdivide in units of less than a half (0.5).

Provide separate tables for FY 97, 98, and 99.

TRUST FUNDS & FSN SEPARATION FUND

Orgno: FN-22117
Org. Title: Moldova

Foreign National Voluntary Separation Account

| Action | FY 97 | | | FY 98 | | | FY 99 | | |
|-------------|-------|---------|-------|-------|---------|-------|-------|---------|-------|
| | OE | Program | Total | OE | Program | Total | OE | Program | Total |
| Deposits | | | 0.0 | | | 0.0 | | | 0.0 |
| Withdrawals | | | 0.0 | | | 0.0 | | | 0.0 |

Unfunded Liability (if any)
at the end of each FY.

Local Currency Trust Funds - Regular (\$000s)

| | FY 97 | FY 98 | FY 99 |
|-----------------------|-------|-------|-------|
| Balance Start of Year | | 0.0 | 0.0 |
| Obligations | | | |
| Deposits | | | |
| Balance End of Year | 0.0 | 0.0 | 0.0 |

Exchange Rate(s) Used

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

Local Currency Trust Funds - Real Property (\$000s)

| | FY 97 | FY 98 | FY 99 |
|-----------------------|-------|-------|-------|
| Balance Start of Year | | 0.0 | 0.0 |
| Obligations | | | |
| Deposits | | | |
| Balance End of Year | 0.0 | 0.0 | 0.0 |

Trust Funds in Dollar Equivalents, not in Local Country Equivalents

OE-2XXXX.wk4

OC

| | | | | | | | | | | | | | |
|------|---|--------------------------------|-----|------|--------------------------------|-----|------|--------------------------------|-----|------|--------------------------------|-----|-----|
| 11.1 | Personnel compensation, full-time permanent | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 11.1 | Base Pay & pymt. for annual leave balances - FNDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 |
| | Subtotal OC 11.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 11.3 | Personnel comp. - other than full-time permanent | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 11.3 | Base Pay & pymt. for annual leave balances - FNDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 |
| | Subtotal OC 11.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 11.5 | Other personnel compensation | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 11.5 | USDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 |
| 11.5 | FNDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 |
| | Subtotal OC 11.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 11.8 | Special personal services payments | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 11.8 | USPSC Salaries | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 |
| 11.8 | FN PSC Salaries | 14.5 | | 14.5 | 22.0 | | 22.0 | 24.2 | | 24.2 | | | 0.0 |
| 11.8 | IPA/Details-In/PASAs/RSSAs Salaries | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| | Subtotal OC 11.8 | 14.5 | 0.0 | 14.5 | 22.0 | 0.0 | 22.0 | 24.2 | 0.0 | 24.2 | 0.0 | 0.0 | 0.0 |
| 12.1 | Personnel benefits | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 12.1 | USDH benefits | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 12.1 | Educational Allowances | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | Cost of Living Allowances | 2.0 | | 2.0 | 2.0 | | 2.0 | 2.0 | | 2.0 | | | 0.0 |
| 12.1 | Home Service Transfer Allowances | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | Quarters Allowances | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | Other Misc. USDH Benefits | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | FNDH Benefits | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 12.1 | Payments to the FSN Separation Fund - FNDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | Other FNDH Benefits | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | US PSC Benefits | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | FN PSC Benefits | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 12.1 | Payments to the FSN Separation Fund - FN PSC | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 12.1 | Other FN PSC Benefits | 5.5 | | 5.5 | 8.4 | | 8.4 | 9.2 | | 9.2 | | | 0.0 |
| 12.1 | IPA/Detail-In/PASA/RSSA Benefits | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| | Subtotal OC 12.1 | 7.5 | 0.0 | 7.5 | 10.4 | 0.0 | 10.4 | 11.2 | 0.0 | 11.2 | 0.0 | 0.0 | 0.0 |
| 13.0 | Benefits for former personnel | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 13.0 | FNDH | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 13.0 | Severance Payments for FNDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 13.0 | Other Benefits for Former Personnel - FNDH | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 13.0 | FN PSCs | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 13.0 | Severance Payments for FN PSCs | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| 13.0 | Other Benefits for Former Personnel - FN PSCs | 0.0 | | 0.0 | 0.0 | | 0.0 | 0.0 | | 0.0 | | | 0.0 |
| | Subtotal OC 13.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: USAID MOLDOVA

Org. No: 117

OC

| | FY 97 | | | FY 98 | | | Requested FY 99 | | | Targeted FY 99 | | |
|--|--------------------------------|-----|-------|--------------------------------|-----|-------|--------------------------------|-----|-------|--------------------------------|-----|-------|
| | Dollars | TF | Total | Dollars | TF | Total | Dollars | TF | Total | Dollars | TF | Total |
| 21.0 Travel and transportation of persons | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 21.0 Training Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Mandatory/Statutory Travel | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 21.0 Post Assignment Travel - to field | 0.0 | | 0.0 | 4.0 | | 4.0 | 0.0 | | 0.0 | | | 0.0 |
| 21.0 Assignment to Washington Travel | 0.0 | | 0.0 | 4.0 | | 4.0 | 0.0 | | 0.0 | | | 0.0 |
| 21.0 Home Leave Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 R & R Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Education Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Evacuation Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Retirement Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Pre-Employment Invitational Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Other Mandatory/Statutory Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Operational Travel | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 21.0 Site Visits - Headquarters Personnel | 5.0 | | 5.0 | 5.0 | | 5.0 | 5.0 | | 5.0 | | | 0.0 |
| 21.0 Site Visits - Mission Personnel | 18.0 | | 18.0 | 18.0 | | 18.0 | 18.0 | | 18.0 | | | 0.0 |
| 21.0 Conferences/Seminars/Meetings/Retreats | 5.0 | | 5.0 | 5.0 | | 5.0 | 5.0 | | 5.0 | | | 0.0 |
| 21.0 Assessment Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Impact Evaluation Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Disaster Travel (to respond to specific disasters) | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Recruitment Travel | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 21.0 Other Operational Travel | 2.5 | | 2.5 | 2.5 | | 2.5 | 2.5 | | 2.5 | | | 0.0 |
| Subtotal OC 21.0 | 30.5 | 0.0 | 30.5 | 38.5 | 0.0 | 38.5 | 30.5 | 0.0 | 30.5 | 0.0 | 0.0 | 0.0 |
| 22.0 Transportation of things | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 22.0 Post assignment freight | 0.0 | | 0.0 | 80.0 | | 80.0 | 0.0 | | 0.0 | | | 0.0 |
| 22.0 Home Leave Freight | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 22.0 Retirement Freight | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 22.0 Transportation/Freight for Office Furniture/Equip. | 0.5 | | 0.5 | 8.0 | | 8.0 | 1.5 | | 1.5 | | | 0.0 |
| 22.0 Transportation/Freight for Res. Furniture/Equip. | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 22.0 | 0.5 | 0.0 | 0.5 | 88.0 | 0.0 | 88.0 | 1.5 | 0.0 | 1.5 | 0.0 | 0.0 | 0.0 |
| 23.2 Rental payments to others | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 23.2 Rental Payments to Others - Office Space | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.2 Rental Payments to Others - Warehouse Space | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.2 Rental Payments to Others - Residences | 25.0 | | 25.0 | 41.0 | | 41.0 | 36.0 | | 36.0 | | | 0.0 |
| Subtotal OC 23.2 | 25.0 | 0.0 | 25.0 | 41.0 | 0.0 | 41.0 | 36.0 | 0.0 | 36.0 | 0.0 | 0.0 | 0.0 |
| 23.3 Communications, utilities, and miscellaneous charges | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 23.3 Office Utilities | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 Residential Utilities | 2.0 | | 2.0 | 2.0 | | 2.0 | 2.0 | | 2.0 | | | 0.0 |
| 23.3 Telephone Costs | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 ADP Software Leases | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 ADP Hardware Lease | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 Commercial Time Sharing | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 Postal Fees (Other than APO Mail) | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 Other Mail Service Costs | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 23.3 Courier Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 23.3 | 2.0 | 0.0 | 2.0 | 2.0 | 0.0 | 2.0 | 2.0 | 0.0 | 2.0 | 0.0 | 0.0 | 0.0 |

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: USAID MOLDOVA

Org. No: 117

OC

| | FY 97 | | | FY 98 | | | Requested FY 99 | | | Targeted FY 99 | | |
|---|--------------------------------|-----|-------|--------------------------------|-----|-------|--------------------------------|-----|-------|--------------------------------|-----|-------|
| | Dollars | TF | Total | Dollars | TF | Total | Dollars | TF | Total | Dollars | TF | Total |
| 24.0 Printing and Reproduction | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 24.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25.1 Advisory and assistance services | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 25.1 Studies, Analyses, & Evaluations | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.1 Management & Professional Support Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.1 Engineering & Technical Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 25.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25.2 Other services | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 25.2 Office Security Guards | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Residential Security Guard Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Official Residential Expenses | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Representation Allowances | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Non-Federal Audits | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Grievances/Investigations | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Insurance and Vehicle Registration Fees | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Vehicle Rental | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Manpower Contracts | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Records Declassification & Other Records Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Recruiting activities | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Penalty Interest Payments | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Other Miscellaneous Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.2 Staff training contracts | 2.5 | | 2.5 | 2.5 | | 2.5 | 2.5 | | 2.5 | | | 0.0 |
| 25.2 ADP related contracts | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 25.2 | 2.5 | 0.0 | 2.5 | 2.5 | 0.0 | 2.5 | 2.5 | 0.0 | 2.5 | 0.0 | 0.0 | 0.0 |
| 25.3 Purchase of goods and services from Government accounts | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 25.3 ICASS | 0.0 | | 0.0 | 55.0 | | 55.0 | 55.0 | | 55.0 | | | 0.0 |
| 25.3 All Other Services from Other Gov't. accounts | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 25.3 | 0.0 | 0.0 | 0.0 | 55.0 | 0.0 | 55.0 | 55.0 | 0.0 | 55.0 | 0.0 | 0.0 | 0.0 |
| 25.4 Operation and maintenance of facilities | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 25.4 Office building Maintenance | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.4 Residential Building Maintenance | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 25.4 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25.6 Medical Care | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| Subtotal OC 25.6 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 25.7 Operation/maintenance of equipment & storage of goods | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| 25.7 ADP and telephone operation and maintenance costs | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.7 Storage Services | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.7 Office Furniture/Equip. Repair and Maintenance | | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 25.7 Vehicle Repair and Maintenance | 3.0 | | 3.0 | 3.0 | | 3.0 | 3.0 | | 3.0 | | | 0.0 |
| 25.7 Residential Furniture/Equip. Repair and Maintenance | 2.0 | | 2.0 | 2.0 | | 2.0 | 2.0 | | 2.0 | | | 0.0 |
| Subtotal OC 25.7 | 5.0 | 0.0 | 5.0 | 5.0 | 0.0 | 5.0 | 5.0 | 0.0 | 5.0 | 0.0 | 0.0 | 0.0 |

OVERSEAS MISSION BUDGET REQUEST

OE-2XXXX.wk4

Org. Title: USAID MOLDOVAOrg. No: 117

OC

25.8 **Substance and support of persons (by contract or Gov't.)****Subtotal OC 25.8**26.0 **Supplies and materials****Subtotal OC 26.0**31.0 **Equipment**

31.0 Purchase of Residential Furniture/Equip.

31.0 Purchase of Office Furniture/Equip.

31.0 Purchase of Vehicles

31.0 Purchase of Printing/Graphics Equipment

31.0 ADP Hardware purchases

31.0 ADP Software purchases

Subtotal OC 31.032.0 **Lands and structures**

32.0 Purchase of Land & Buildings (& construction of bldgs.)

32.0 Purchase of fixed equipment for buildings

32.0 Building Renovations/Alterations - Office

32.0 Building Renovations/Alterations - Residential

Subtotal OC 32.042.0 **Claims and indemnities****Subtotal OC 42.0****TOTAL BUDGET**

| FY 97 | | | FY 98 | | | Requested FY 99 | | | Targeted FY 99 | | |
|--------------------------------|-----|-------|--------------------------------|-----|-------|--------------------------------|-----|-------|--------------------------------|-----|-------|
| Dollars | TF | Total | Dollars | TF | Total | Dollars | TF | Total | Dollars | TF | Total |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 7.5 | | 7.5 | 7.5 | | 7.5 | 7.5 | | 7.5 | | | 0.0 |
| 7.5 | 0.0 | 7.5 | 7.5 | 0.0 | 7.5 | 7.5 | 0.0 | 7.5 | 0.0 | 0.0 | 0.0 |
| Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 5.0 | | 5.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 0.0 | | 0.0 | 25.0 | | 25.0 | 0.0 | | 0.0 | | | 0.0 |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 1.0 | | 1.0 | 5.0 | | 5.0 | 5.0 | | 5.0 | | | 0.0 |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 6.0 | 0.0 | 6.0 | 30.0 | 0.0 | 30.0 | 5.0 | 0.0 | 5.0 | 0.0 | 0.0 | 0.0 |
| Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | | Do not enter data on this line | | |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | 0.0 | | | 0.0 | | | 0.0 | | | 0.0 |
| 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| 101.0 | 0.0 | 101.0 | 301.9 | 0.0 | 301.9 | 180.4 | 0.0 | 180.4 | 0.0 | 0.0 | 0.0 |

The following line is to be used to show your estimate of FY 98 and FY 99 Program Funded ICASS costs.

Enter dollars in thousands - same format as above.

FY 98
Est.FY 99
Est.

ICASS - Program Funded

Organization: USAID Moldova
Year: FY 2000 Narrative
Organ No: NA-22117

FY 1998 will result in several significant personal changes for USAID Moldova. First, four new offshore hire program funded USPSC personnel will be recruited to assist with the implementation of the USAID program in Chisinau. These four new positions were approved by the Bureau in late FY 1997. Additionally, the current USAID representative will retire from USAID in April 1998. A replacement has been identified and it is anticipated that when the replacement's tour is ended, he will also retire from USAID. The results of these retirements are that USAID Moldova must fund travel and related shipment costs for both the retiring USDH to the United States and the normal assignment of the replacement to post in FY's 1998 and 2000.

The final additional personnel slot budgeted in FY 1999, is an OE funded USAID driver. To date, the USAID program assistants in Moldova have driven the USAID vehicle as needed. Initially, US Embassy drivers were used when available for USAID business, but this is no longer an option. The Moldova USAID vehicle with all three USAID employees onboard was wrecked in an accident returning to Moldova from a meeting in Kiev, Ukraine during February 1998. A USAID program assistant was driving the vehicle when the accident occurred. The vehicle was wrecked beyond repair, but fortunately, no employees were injured. As a result of this accident, a management decision has been made that a professional driver which was budgeted for FY 1999 will be hired during the later part of FY 1998.

Office space in the Embassy compound has been severely limited. With the hiring of additional personnel, the Embassy will not be able to provide office facilities. As a result, USAID will be required to locate sufficient commercial office space during FY 98. Due to the fact that the new USPSC positions were not approved until late in FY 1997, the previous budgets did not anticipate commercial office space. To the extent practical, program funding will be used in obtaining and furnishing all office space based upon a reasonable allocation to OE resources. But, OE resources will still be required to pay their fare share of the additional commercial office space and furnishings. As such, in FY 98 approximately \$ 50,000 additional OE funding is anticipated to for this unbudgeted move. The Moldova budget has been increased accordingly and a similar reduction has been made to the Ukraine budget for FY 1998 only.

It is anticipated that ICASS related charges will increase beginning in FY 1999 as a result of the four additional program funded personnel. No additional OE funds have been budget for this anticipated increase. All additional costs will be absorbed by program funds for these new ICASS related services to the USPSC staff.